The South Carolina – US Income Gap
Analysis of Data

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Introduction

Whenever states are compared, South Carolina consistently ranks in the bottom third in per capita personal income. The perception is that South Carolina is a "poor" state with a low standard of living and little economic development beyond low-paying textile mills at the center of small ramshackle towns. In truth, while largely undeveloped areas and some areas of persistent poverty remain, the state boasts several vibrant metropolitan areas and an economy growing in diversity. How then does the state's actual standard of living compare to the remainder of the nation? Is comparing personal income across states with different costs of living a reliable gauge of economic wellbeing? To the extent that South Carolina falls behind the nation economically, what are the weaknesses causing it to do so, and what are its strengths that might lead the state to close this gap? These questions were addressed in the following report with the intent of finding answers and identifying a direction of future research. South Carolina income data was examined in terms of the distribution of income among households and geographic distribution. The role of education was also discussed. Finally, the industrial mix of each county was examined using a shift-share analysis.

Income Distribution

Graphing Distribution of Income

The distribution of household income (HHI) within various South Carolina counties according to the most recent available data from the US Census Bureau was mapped graphically and compared to the state and the nation. The resulting graphs were analyzed for convergence among county, state and nation between 1990 and 2000.

The 2000 US Census provides the number of households within each geographic area with a reported income level falling in each of sixteen bands, ranging from "Less than $10,000" to "$200,000 or more".[1,2] In order to facilitate a direct comparison among county, state and national, as well as comparisons between counties with different populations, households within each income band are presented in this analysis as a percentage of the total number of households in the region.

Figure 1A compares South Carolina's HHI distribution to that of the nation in 2000; **Figure 1B** makes the same comparison for HHI in 1990. Note that South Carolina closely tracks the national income distribution in both years, albeit in both cases, the state

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[1] The 1990 Census uses 25 income bands starting with "Less than $5,000" and ending with "$150,000 or more"; for the graphical analysis, these bands were combined to be as close as possible to the Census 2000 gradation.

[2] Income numbers presented in the 2000 Census actually represent income reported for the preceding year, i.e. 1999; likewise 1990 income numbers are for the year 1989. For simplicity, income will be referenced by the year of the Census in which they are reported.

Figure 1A – SC vs. US HHI Distribution (2000)
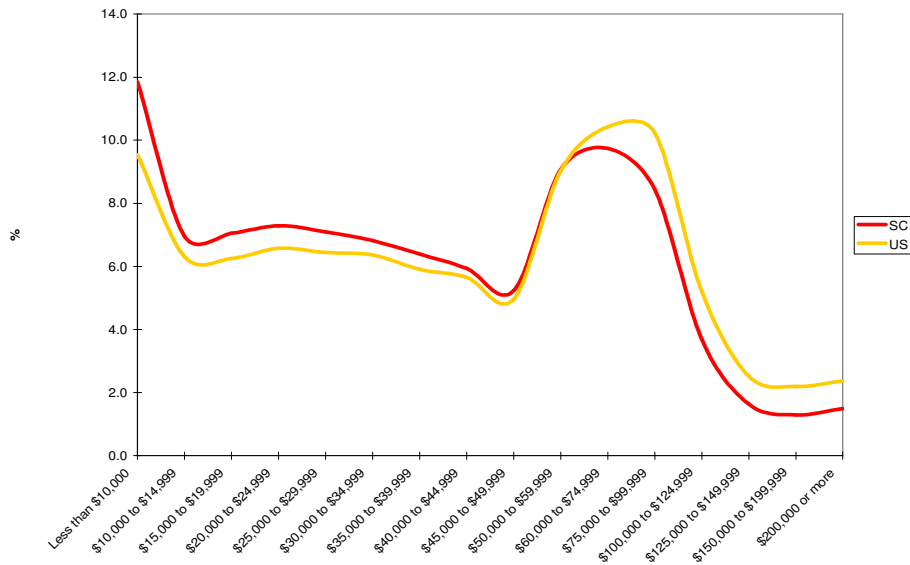
Figure 1B – SC vs. US HHI Distribution (1990)
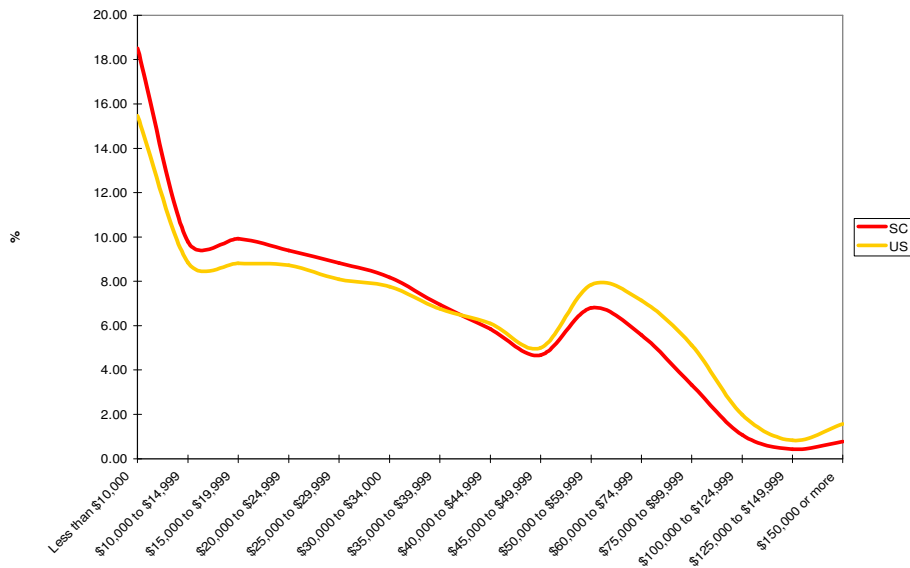
shows a larger percentage of households at the lower end of the income range and a smaller percentage at the higher end. The state's distribution closely mirrors national HHI distribution on the upper middle class range, but the percentage of households in the lower-middle income range in South Carolina has decreased at a slower rate than in the nation as a whole. This could be indicative of the losses in the manufacturing – particularly textile – sector seen by the state during the 1990s. Generally, the state has a persistently smaller percentage of households than the nation in the upper income range, and a larger percentage in the lower income range.

Note that, because of the way in which the Census Bureau presents the income breakdown, the state and county income numbers have not been discounted for cost of

living for this analysis. Had this discount been applied to Figure 1, as South Carolina's cost of living is lower than the national average, the net effect would have been to shift the state's distribution curve slightly to the right. Nonetheless, it is the shape of the curve that is most telling in this analysis.

HHI distribution curves of South Carolina counties in 2000 roughly follow one of three basic patterns. Figures 2 through 4 present examples of each of these patterns. The first pattern is that which closely mirrors the state and national distribution. **Figure 2A** and **2B** present the HHI distribution curve for Greenville County, which almost precisely mimics the national distribution in both 2000 and 1990. Additional counties that follow the state/national pattern, to varying degrees, include Aiken, Anderson, Charleston, Florence, Richland and Spartanburg, among others.

Figure 2A – Greenville County vs. State and Nation (2000)
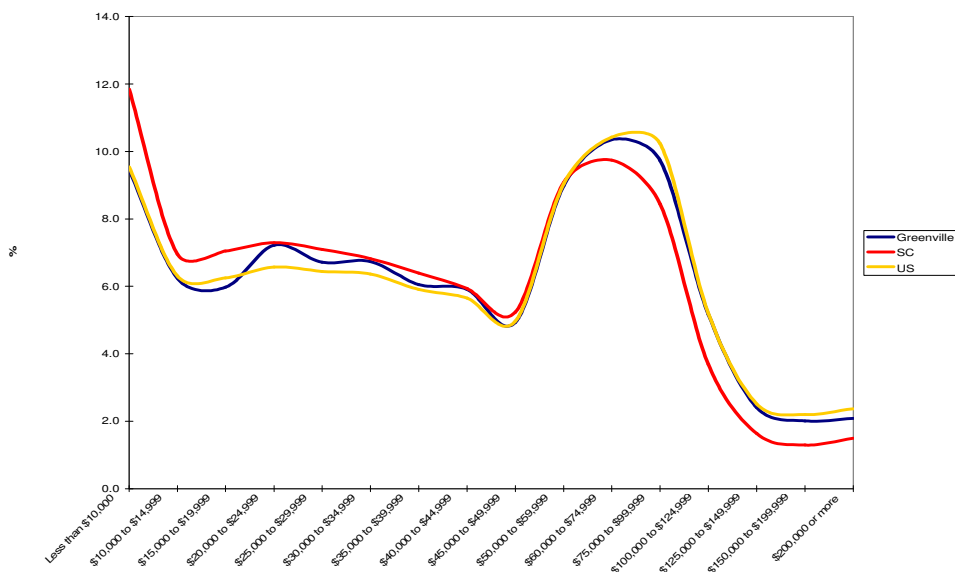
Figure 2B – Greenville County vs. State and Nation (1990)

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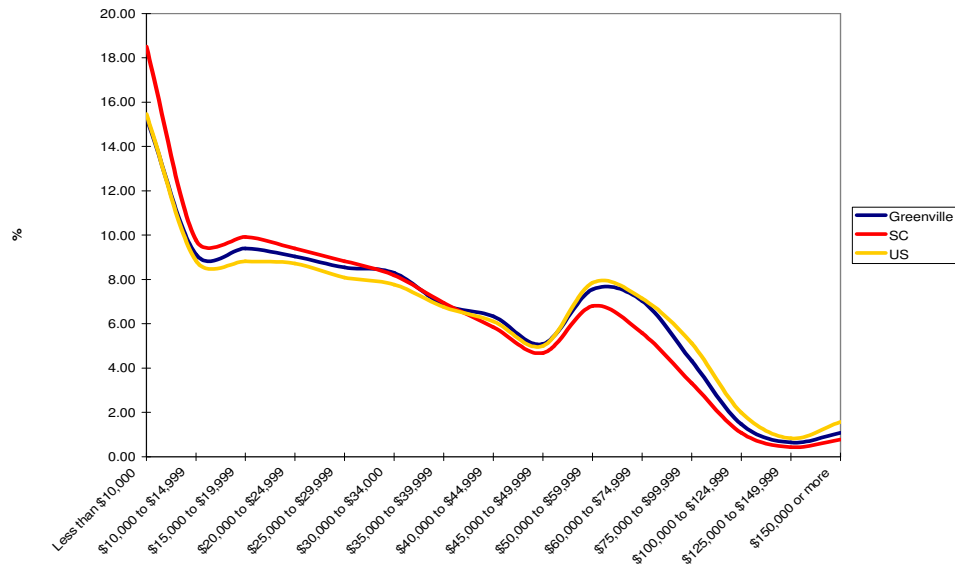
The second basic pattern is the super-national pattern. These counties actually exceed the national HHI distribution in the upper middle-class portion of the curve and are lower in at least part of the lower middle-class area. **Figure 3A** and **B** show York County, which is part of the burgeoning Charlotte, North Carolina Metropolitan Statistical Area (MSA). York County has actually outpaced the nation in upper middle-class growth, while the percent of households in the lower end of the income spectrum has diminished relative to the nation. This growth pattern is typical of the counties

Figure 3A – York County vs. State and Nation (2000)
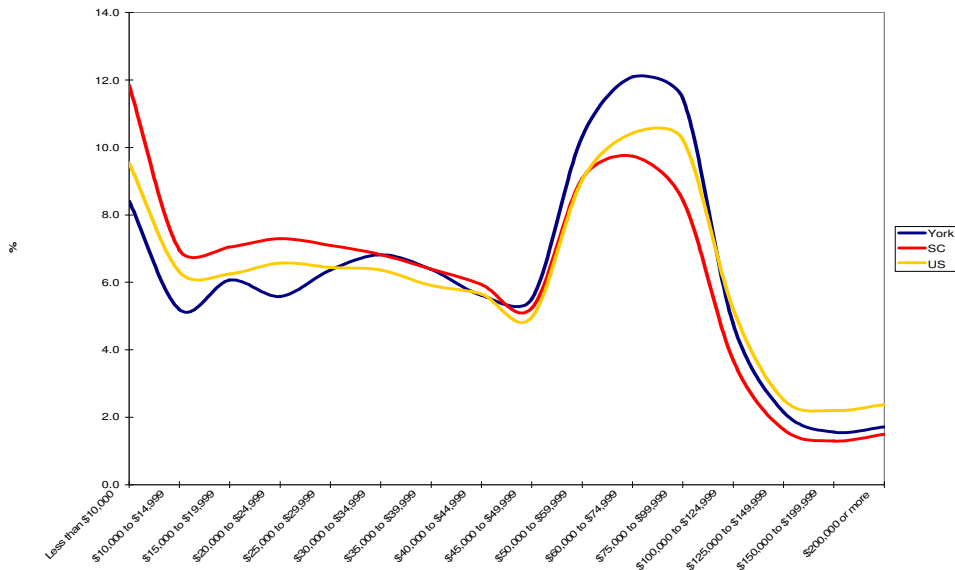
Figure 3B – York County vs. State and Nation (1990)
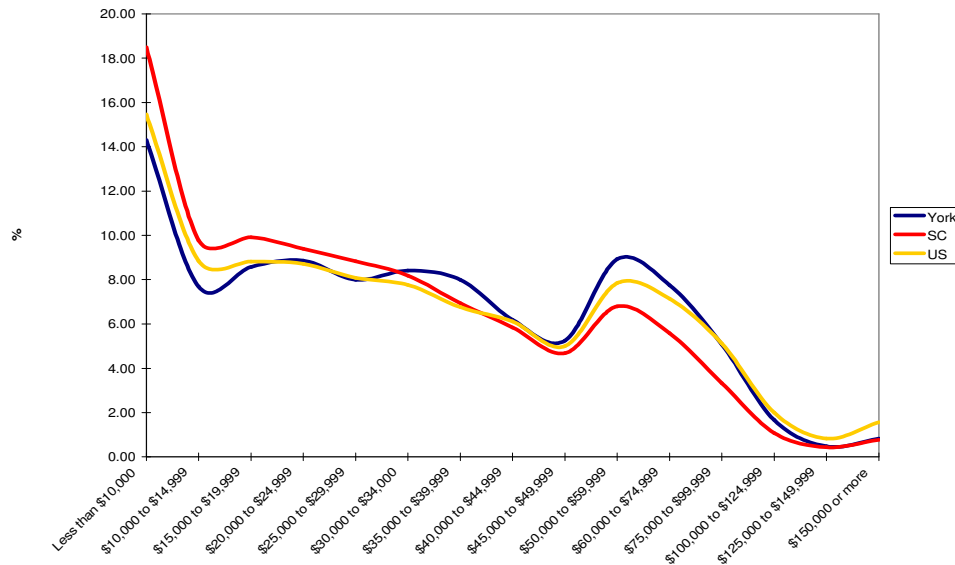
following this distribution. Other counties in this group are Berkeley and Dorchester, which both benefit from the growth taking place north of Charleston, and Beaufort. Of these counties – and of all of the counties in the state – only Beaufort exceeds the nation in the percent of households in the highest income range. This is largely due to the

number of retirees who have migrated to Hilton Head Island, located in Beaufort County, from states with much higher nominal income levels.

Figure 4A – Allendale County vs. State and Nation (2000)
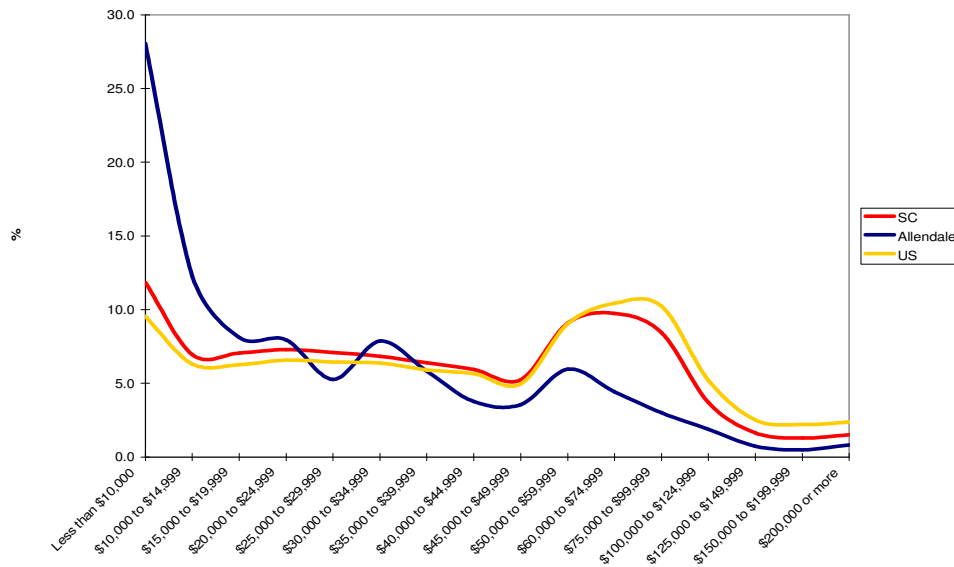
Figure 4B – Allendale County vs. State and Nation (1990)
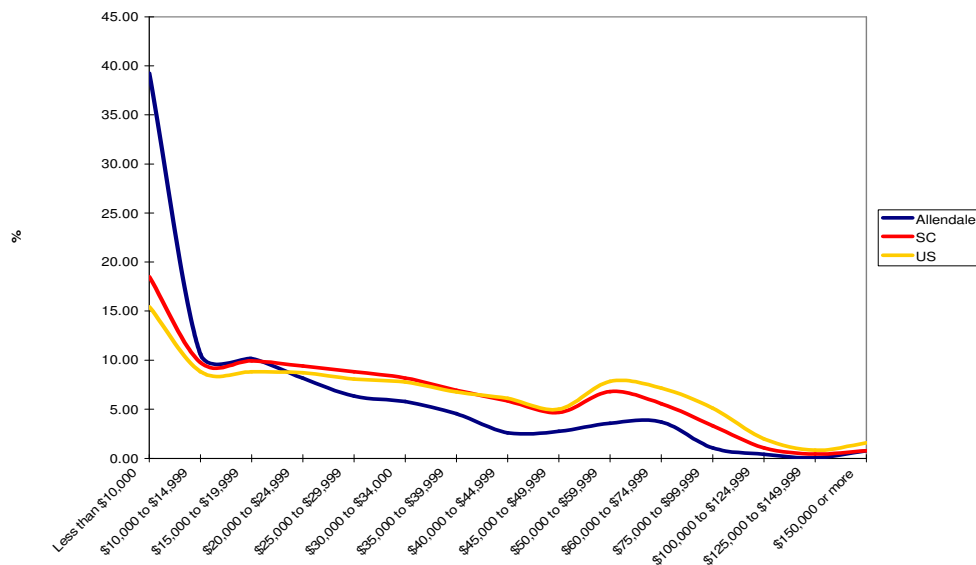
The third basic income distribution pattern is that of the relatively disadvantaged counties. The archetype of this pattern, the most egregious, is Allendale County, shown in **Figure 4A** and **B**. This pattern is much more heavily skewed toward the lower income levels – to the extent that the y-axis had to be rescaled to accommodate the lower tail of the distribution. Missing from this pattern is the large concentration of households seen at the upper middle-income level in both of the other two patterns. Note that the gap between Allendale and the state and nation widened during the 1990s. Other counties following this basic pattern did not necessarily fare so badly, but many did become more disadvantaged, largely due to the heavy emphasis on manufacturing traditionally seen

there; decline in the textile sector impacted these counties especially hard. Other counties that exhibit this basic disadvantaged pattern include Bamberg, Marion, Marlboro, Williamsburg, and others to a lesser degree.

Breaking Down by Percentile

The gap in the upper income ranges seen in Figures 1 through 4 is reinforced by **Figure 5**, wherein South Carolina household incomes were compared broken down at the 10th, 50th (median) and 90th percentile breaks. The 10th percentile break means that 10% of the population's household income was at or below this figure. The 50th percentile break is the middlemost (median) point in the income distribution; 50% of the population had household incomes at or below this figure and 50% of the population had a household income greater than the figure. The 90th percentile point represents the figures where only 10% of the households have incomes greater than this figure. The use of several percentile break points provides a more fully developed comparison of South Carolina household incomes to national household incomes than is presented by the simple mean or median as a comparative point.

Over the decade of the nineties, the South Carolina households at the 10th percentile fell about 2 percentage points behind the national household income 10th percentile figures. Interestingly, South Carolina's median (50th percentile) break actually gained against the national household income median. The greatest surprise and the greatest decline against the national household incomes came at the 90th percentile break, where South Carolina figures experienced a significant 7% drop. Several explanations have been offered for this decline:

Figure 5 – South Carolina Income as Percent of National Income (not discounted)
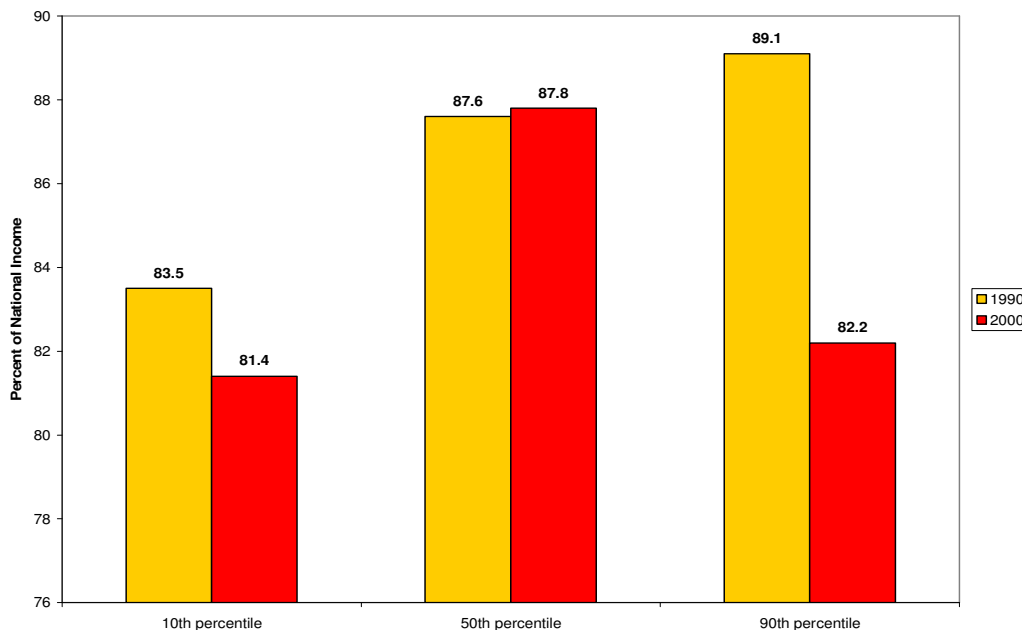
- First, while the decade of the 1990's are marked by strong entrepreneurial expansion, fewer rapidly expanding, high wealth-generating enterprises were formed in South Carolina. The state currently hosts few research and development firm headquarters, while many other areas of the nation have seen much more growth in this area. This represents an area of high-income employment that is not being taken advantage of in the state.
- Second, South Carolina is a strong retirement destination. The state experienced a significant in-migration trend of retirees during the 1990's, a trend that is likely to continue as the baby-boom generation leaves the work-force. While these individuals bring great disposable income underpinned by significant wealth, their actual household incomes are below those in peak earning years. Yet, fully capitalized real estate, substantial unearned income from investments, and the capacity for significant discretionary spending may be greater regional assets than households with higher income and associated debt. In short, our wealthiest cohort is older and perhaps has more fixed asset wealth but less designated income than the nation's households at the 90th percentile. These explanations are speculative.

An interesting point to consider, however, is if South Carolina is falling behind national figures more rapidly at our wealthiest cohort, does it really matter? In fact, the income disparity between those households at the 90th percentile level and the 10th percentile level decreased during the 1990's. In 1989 the SC gap was about 12.23, that is, households at the 90th percentile made 12.23 times more household income than households at the 10th percentile. By 1999 that figure decreased to 11.19. Similarly, in 1989 the national difference was 11.46 between the 90th percentile households and the 10th percentile households. That too decreased in 1999 to 11.08.

An implication of this for economic development policymakers is the effect that lagging income among the 90th percentile group may have on the availability of venture capital in the state, as this is the income group that generally provides investment capital. This is especially problematic given that such a large portion of the 90th percentile group is made up of retirees, who typically are not looking to invest their assets in new business. A lack of venture capital can stymie entrepreneurism and thus new job creation. However, sufficient demand for venture capital should draw needed funding, even be it from out-of-state sources, so that any lack of entrepreneurism seen in the state cannot be entirely attributable to the composition of South Carolina's wealthier residents. As shall be discussed presently, the industrial mix – still heavily reliant on branch manufacturing with a dearth of research and development firms – and an overall lack of success at drawing or retaining highly skilled workers are also significant factors in the problem.

Income versus Wealth

One issue that must be further addressed is the question of whether income by itself, even if discounted for cost of living, is a sufficient measure of the economic

viability of a state. The question here is one of wealth, or held assets. An individual or household that has a relatively low income but that, for example, owns a great deal of real estate with little or no debt will potentially be economically better off than one who has a slightly higher income but who does not hold property or other forms of wealth. Low stated, "Household financial well-being is critical to a region's overall economic health. Most analysts look to the annual flow of income as the most appropriate measure of economic well-being, but income is only the tip of the iceberg. Lying beneath the surface is wealth, a much bigger and generally more stable – yet hidden – financial asset."[3] Low's study ranked residential real estate holdings as the largest component of household wealth. To this point, it is important to note that South Carolina ranked sixth in the nation for homeownership rates in 2004.[4] Wealth in general is a more sustainable indicator of economic wellbeing than simple income, as income is more susceptible to short-term fluctuations in the local economic environment, such as cyclical and structural unemployment and seasonal variations in consumer spending.

The sustainability of South Carolina's wealth position is augmented by the ratio of home values to median household income (MHHI) in most of the state relative to other regions of the nation. Based upon the amount that banks are typically willing to loan to homebuyers, a ratio of greater than 2.75 is an indicator that homeownership rates are becoming more unstable, as typical consumers become less able to purchase their own homes. The ratio of median value of owner-occupied housing units to MHHI in South Carolina was 2.56 in 2000, while that of the nation was 2.85. Several areas of the nation well exceed the national average, including California (4.45), Massachusetts (3.68) and New York County, New York (21.26).[5] Some counties within South Carolina exceed the 2.75 mark; these are primarily coastal counties. It should be noted, however, that to some degree the higher housing costs – particularly in Beaufort County – are being driven by demand from retirees from out of state who use funds obtained through the liquidation of homes in more expensive areas of the nation to purchase their homes in South Carolina.

In sum, any disparity observed between South Carolina's income levels and that of the nation is largely offset by the strong wealth position enjoyed on the whole by the state's residents. The weakness of using wealth as a measure of economic wellbeing is that there is as yet no widely-accepted standard for quantifying it. This being the case, income continues to be used due to its greater observability.

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[3] Sarah A. Low, "Regional Asset Indicators: The Wealth of Regions," *The Main Street Economist* (Center for the Study of Rural America, Federal Reserve Bank of Kansas City, September 2005), 1.
[4] Corporation for Enterprise Development (CFED), "Development Report Card for the States"; available at http://drc.cfed.org/grades/south_carolina.html; Internet; accessed 10 April 2006.
[5] Calculated using US Census data (2000).

Figure 6 – South Carolina MSAs
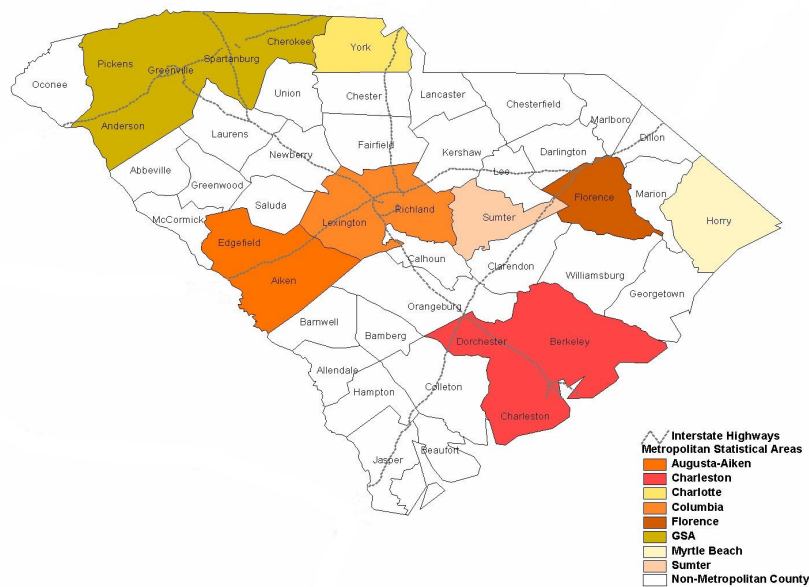
<u>Geographic Distribution of Income Among Counties</u>

Mapping South Carolina counties makes it possible to identify a number of wealth nodes located throughout the state. These are urbanized areas (most are part of a MSA) that appear to spawn growth in surrounding counties. These nodes are identifiable as the counties that are indicated as having the highest Per Capita Personal Income (PCPI) and Median Household Income (MHHI) in the state. **Figure 6** indicates South Carolina's MSAs, as defined for the 2000 Census, for purpose of reference – note that two MSAs are shared with neighboring states: Charlotte, shared with North Carolina, and Augusta-Aiken, shared with Georgia. **Figure 7** is a map of South Carolina's counties color-coded according to MHHI as a percent of the national average. MHHI is used in this analysis because, while PCPI is a better gauge of county economic activity relative to population, households are the unit of consumption; as such, standard of living is better described using MHHI than PCPI. There is a small negative correlation between PCPI and household size, that is, poorer areas tend to have larger household sizes, while more affluent areas tend to have smaller households.[6] As such, there is some variation in results when comparing counties using the two statistics.

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[6] Regressing the log of average household size on the log of PCPI for SC counties in 2000 yields a coefficient of -0.09, with a t-statistic of -3.28.

Figure 7 – South Carolina Median Household Income as Percent of US Average (Nominal)
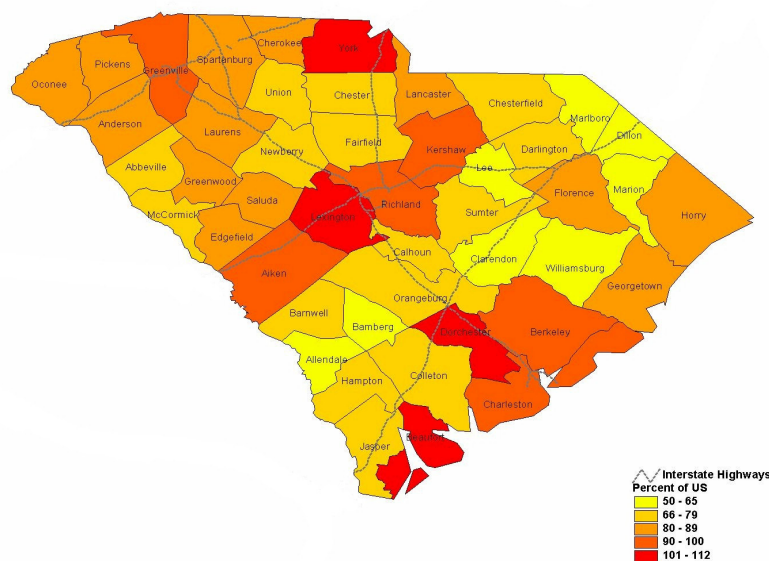
As is readily apparent to any casual observer, costs of living can vary greatly from one place to another, owing to a number of factors. On the whole, South Carolina's cost of living is substantially lower that that seen in, for example, the Northeast or the West Coast. As such, simply comparing income levels in South Carolina counties to the rest of the nation fails to take into account the buying power of the income being measured. This is why ranking South Carolina as one of the "poorer" states is a fallacy, albeit a common one.

Nominal MHHI in the state for 2000 was $37,082, or 88.3 percent of national MHHI. Berry, Fording and Hanson, however, developed a state-level cost of living index based upon real estate values, tax rates and other factors, which allows a direct comparison of incomes according to buying power across states.[7] According to the index, South Carolina's cost of living was approximately 92.38 percent of the national average in the year 2000. Discounting using these data, the state's "real" MHHI was $40,141, which was 95.6 percent of the national average. This, it is argued in this current study, is a much more accurate measure of the standard of living in the state.

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[7] William D. Berry; Richard C. Fording and Russell L. Hanson, "An Annual Cost of Living Index for the American States, 1960-1995," *The Journal of Politics* 62 (2000): 550-567. Updated index available at http://www.sscnet.ucla.edu/issr/da/index/techinfo/I12751.HTM; Internet; accessed 11 April 2006.

Figure 8 – South Carolina Median Household Income as Percent of US Average (Discounted)
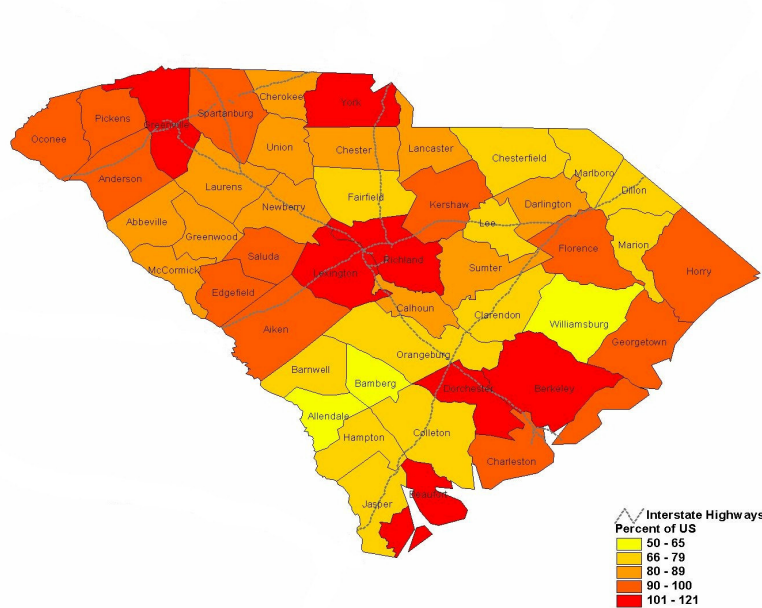
Figure 9 – Percent of 25-64 Year-Olds with a Bachelor's Degree or Above
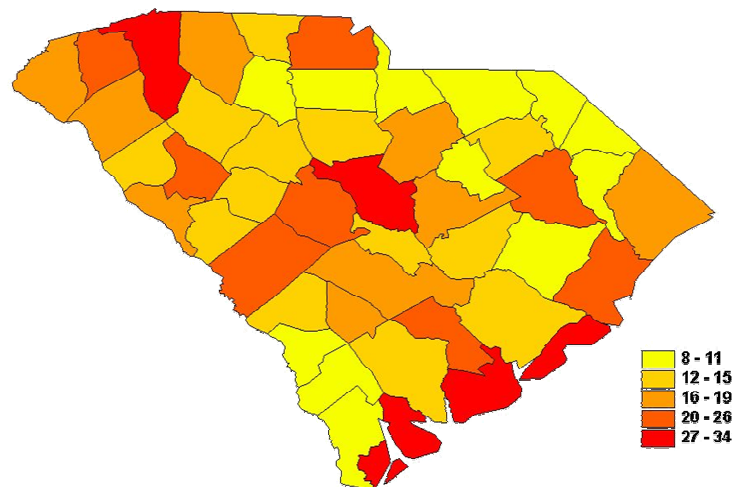
Applying the discount to county MHHI generates quite a different map than that seen in Figure 7. Whereas the nominal income map shows only four counties above the national income average, **Figure 8** shows that seven are actually well above the national average, with most of the state's remaining urbanized counties at or very near the national average. **Figure 9** shows the percentage holding a bachelor's degree or above in South Carolina counties. Comparing this map to the income maps suggests a correlation

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between the state's income levels and education levels that will be discussed in the following section.

As a final thought, applying the Berry et al. index to all of the states significantly improves South Carolina's ranking nationally in terms of state income levels. **Figure 10** shows nominal state income levels in ascending order; note that South Carolina is solidly in the bottom third. In **Figure 11**, income is discounted using the cost of living index, moving the state much closer to the center.

Figure 10 Nominal 2000 MHHI for the States
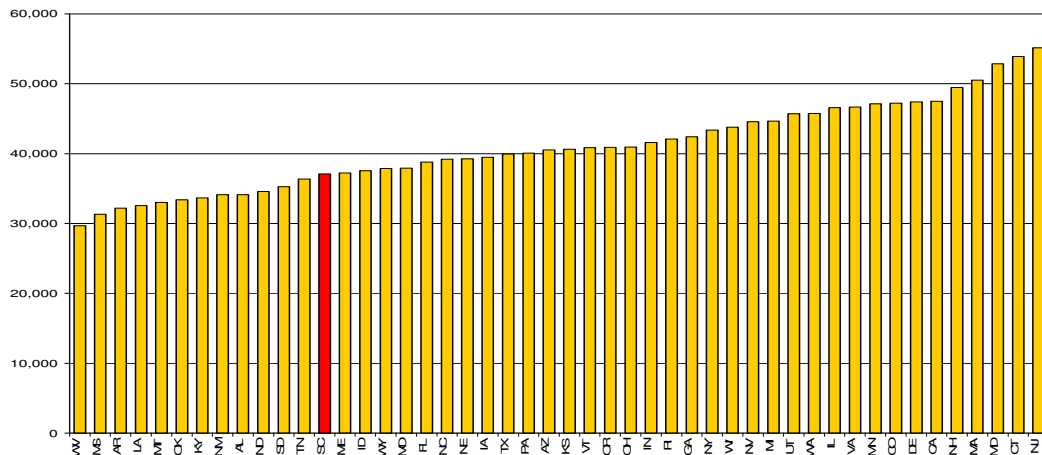
Figure 11 – Discounted 2000 MHHI for the States
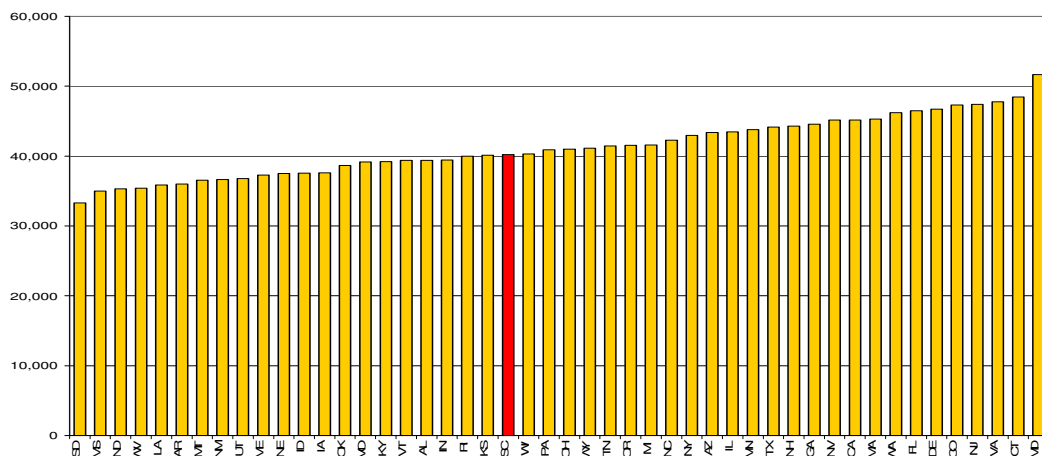
Income and Education

This analysis was initiated based upon a question posed by South Carolina Senator James Ritchie (District 13) regarding the impact of the I-95 corridor counties' aggregated data on the overall comparability of South Carolina to national per capita income averages. **Figure 12** presents the household median income for South Carolina

grouped by the SC I-95 counties, SC non-I-95 counties, and the total SC figures as a percent of the national average. Regarding MHHI, the I-95 counties under-performed the state's non I-95 county figures and thus did depress the state figures. The exclusion of the I-95 county data, however, did little to improve the overall county figures against the national average. It is suspected the small impact of the I-95 counties on South Carolina's position against national figures is a combination of the following:

- Those counties having less population (therefore little influence on state averages) and
- The percentile distributions of household income in South Carolina consistently fall below the matched percentile distributions of the nation, as discussed previously.

Figure 12 – Median Household Income (Not Discounted) – 1-95 Counties vs. State

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SC-Total	80.0%
I-95 Counties	75.2%
Non-I-95 Counties	81.2%
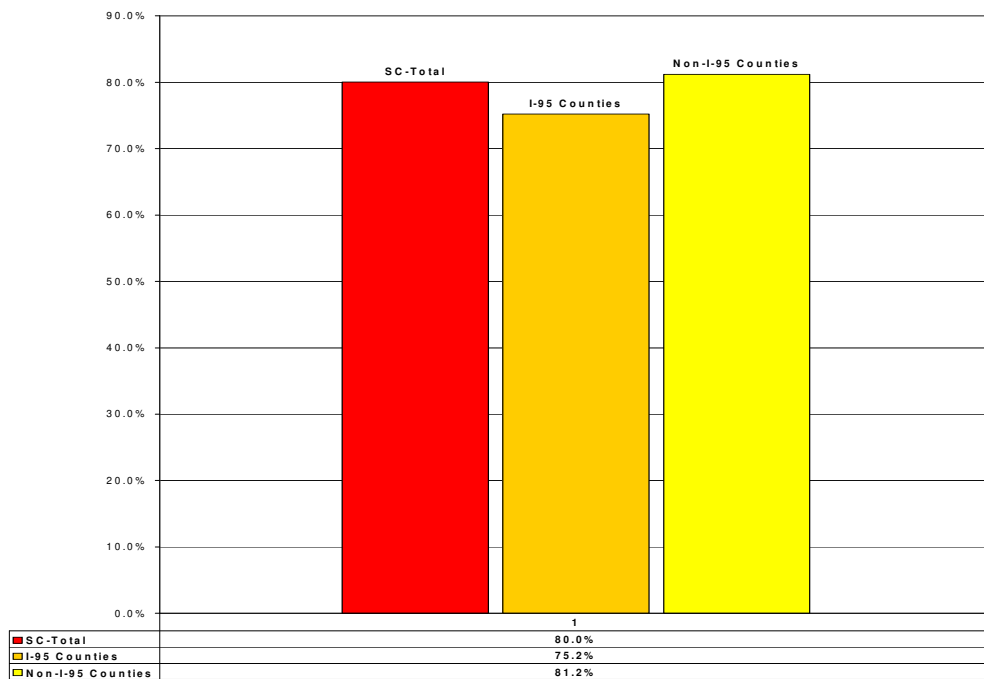
An Ordinary Least Squares model was constructed using the ratio of county per capita income to U.S. per capita income as the dependent variable. The eight independent variables used were:

- County location on the I-95 corridor
- County location on the I-26 corridor
- County location on the I-20 corridor
- County location on the I-77 corridor
- County location on the I-85 corridor
- Percent of county population over 25 without a high school diploma

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- Percent of county population over 25 with at least a BS degree
- Persistent poverty classification as defined in the Zell Miller report[8].

The model showed that these eight variables explained over 80% of the variance of per capita income about its mean (Adjusted R^2 = .8417). Three of the variables contributed significantly to per capita income. The two strongest contributors were the education related variables. The closer ratio of South Carolina per capita income to U.S. per capita income was significantly explained by the *percent of county population over 25 with at least a BS degree* (probability .002). The wider the ratio of South Carolina per capita income to U.S. per capita income was significantly explained by the *percent of county population over 25 without a high school diploma* (probability .006). Only one of the locational variables offered significant contribution to understanding the ratio of South Carolina per capita income to U.S. per capita income – the I-85 variable was statistically significant (probability .042). This could be explained by the higher percentage of persons over 25 with at least a BS degree in the I-85 corridor. None of the other locational models nor the classification of a county as *persistent poverty* in the report for Senator Zell Miller were significant contributors to understanding or explaining the ratio of South Carolina per capita income to U.S. per capita income.

The conclusion is direct. The gap in the ratio of South Carolina per capita income to U.S. per capita income is best explained by education differentials.

Education alone, however, will not explain how to close the gap in the ratio of South Carolina per capita income to U.S. per capita income. **Figures 13** and **14** compare the median earning by educational attainment for both the United States and South Carolina. The first graph depicts early entrants (22-29 year olds) while the second depicts the mature workforce (30-64 year olds).

Among early entrants in our workforce South Carolina exceeds the national median of earnings for workers with *high school degrees* and *some college.* South Carolina trailed the nation in *Associate's* degree earning and in *Graduate/ Professional* degree earnings.

These differences were less prevalent in the mature workforce; *high school* and *Associate's* median earnings between the state and the nation were even. South Carolinians in the mature workforce without a high school diploma had a higher median income than did their national counterparts, though it was significantly below earners with greater educational attainment. Within the education to income distribution the largest gap between South Carolina and the nation was in the highest educational attainment; *graduate and professional degrees.* It is our opinion the gap between median incomes of South Carolinians with *Grad/professional* degrees and their national

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[8] "It's a Matter of Wealth: Dismantling Persistent Poverty in the Southern United States." (Carl Vinson Institute of Government, University of Georgia, 2002). Study commissioned by Senator Zell Miller.

Figure 13 – Median Earnings by Degree Level (22-29 Year-olds)
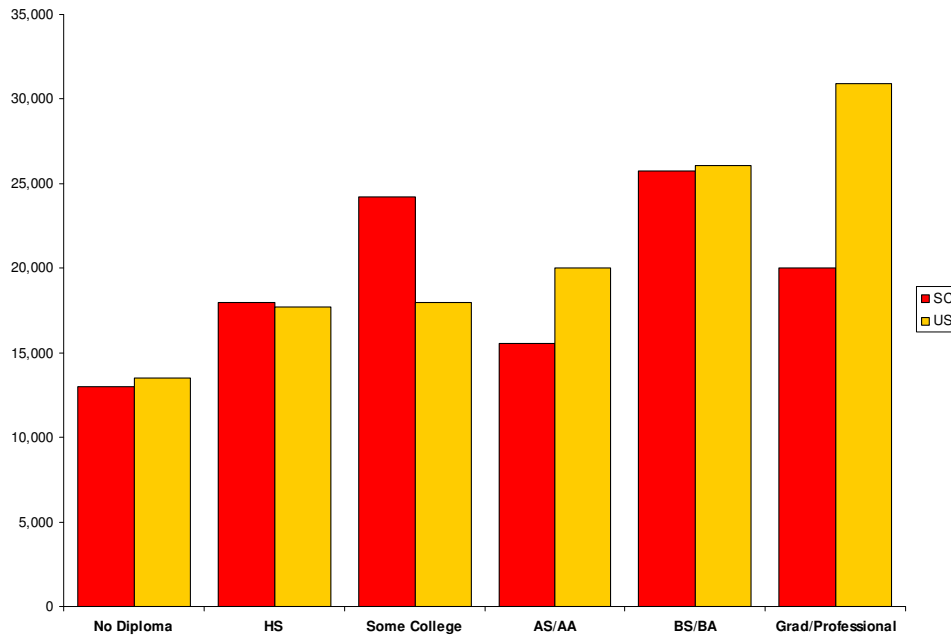
Figure 14 – Median Earnings by Degree Level (30-64 Year-olds)
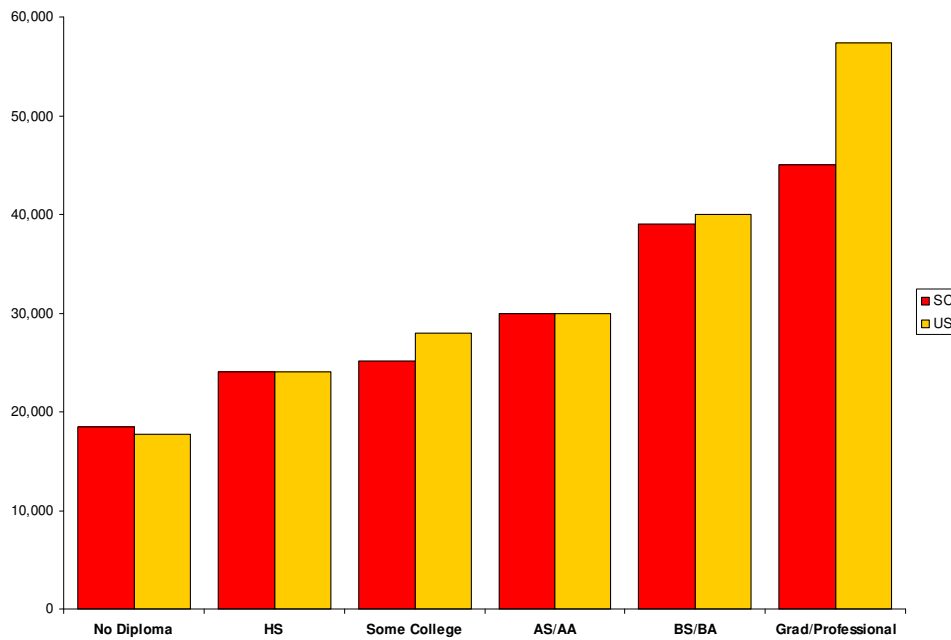
counterparts is a reflection of cost of living differentials. Since compensation in these categories has strong market linkages either the South Carolina cohort is younger and therefore not at peak earning or the local market for fee-based professionals is yielding what that market can sustain. Since, however, at the national level this *Grad/professional*

degree category earned 1.43 times the median salary of those with BS/BA degrees and the South Carolina differential is only 1.15 times greater, an alternative explanation is that the South Carolina corporate/industrial mix places fewer R&D or MBA/JD executives in their employee mix. This would suggest fewer research and development operations and fewer headquarters, than the national average.

Shift-Share Analysis

Shift-share analysis is a method in regional economics by which changes in the "mix" of industries in one region can be compared to that of another region.[9] In this study, the industrial mix of individual counties is compared to other counties and to the nation as a whole. This allows for the identification of which industries are growing in each county more rapidly than the nation, and which are not keeping pace with or are declining relative to the nation. This will assist in identifying the strengths and weaknesses of the individual counties. Counties that present as "competitive" (which will be explained presently) in the Services sector, for example, indicate an apparent strength in that industry. Identifying industry sectors that are experiencing the most growth in a given county can also allow for the identification of potential weaknesses, not only where the county is lagging behind the nation in job creation within an industrial sector, but when the county is experiencing growth in a sector that is in national decline, such as in some forms of manufacturing.

In this portion of the analysis, South Carolina counties were ranked in descending order according to 2000 per capita personal income (PCPI) then divided into the top, middle and lower third, shown in **Figure 15**. Industries were classified by supersector, according to the North American Industry Classification System (NAICS).[10] Three approaches were taken to compare the industrial makeup of South Carolina counties within each grouping. The first approach was to perform a direct comparison of the growth rates of each industry group to the growth in that industry nationally between the years 1990 and 2004. The second was to examine the competitive mix component of each industry group within the counties in each tier during the same period and, again, to compare them to the industrial growth rate in each industry at the national level. Finally, a Location Quotient (LQ) was calculated for each industrial group for the year 2004 in order to determine whether the county is a net importer or net exporter in a given industry. The methods and implications of each approach shall be discussed in order. Data were obtained from the Northeast Regional Project 1011[11], using data from the US Bureau of Labor Statistics Census of Employment. Additional data were obtained from the Census Bureau and the Bureau of Economic Analysis.

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[9] For an introduction to the shift-share approach to regional analysis, see the Appendix to Chapter 12 of Edgar M. Hoover and Frank Giarratani, *An Introduction to Regional Economics*, 3rd Ed. (Morgantown, WV: Regional Research Institute, West Virginia University, 1999); Internet; http://www.rri.wvu.edu/WebBook/Giarratani/chaptertwelve.htm#appendix.

[10] A detailed definition of each of the industry supersectors used is given in the Appendix.

[11] Internet: http://www.georgiastats.uga.edu/sshare1.html

Figure 15 – Counties Ranked by PCPI
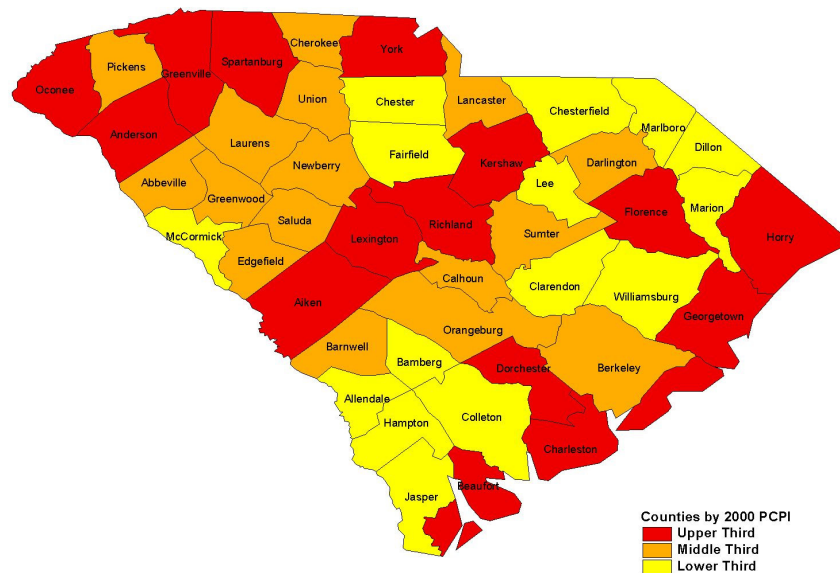
Of the fifteen top tier counties, when adjusted using the state cost of living index, all boast a PCPI that is better than 90 percent of the national average, with the exception of Florence which narrowly misses at 89 percent. Additionally, all but two fall within metropolitan statistical areas (MSAs), as defined by the Federal Office of Management and Budget; the two exceptions, Oconee and Kershaw, are immediately adjacent to MSAs. Geographically, all of the top tier counties except for Horry and Georgetown have nearby interstate access and all of them lie within three specific regions; the coastal area, the Augusta-Columbia Interstate 20 corridor (with Kershaw lying on Interstate 20 on the opposite side of Columbia), and the Interstate 85/Atlanta-Charlotte corridor (with York lying within the Charlotte MSA).

Of the fifteen counties grouped in the lower third according to PCPI, all but three lie in the corridor between Columbia and Charleston, following or adjacent to the Interstate 95 corridor. The exceptions are McCormick, which lies in the rural area between the Interstate 85 and 20 corridors north of Augusta, and Fairfield and Chester, which both lie north of Columbia along Interstate 77. The middle tier counties are somewhat more evenly distributed through the state, with a slight majority clustered in the northwestern quadrant of the state.

Description of Data

Growth Rates per Industry per County. The percent change in employment within each of eleven industrial classifications between 1990 and 2004 was first calculated for each county, for the state and for the nation. **Table 1** (in the Appendix) compares the county and state data to that of the nation in order to determine whether growth was occurring within industries that were growing or declining at the national level, or else if growth at

the county and state level was lagging in an industry that was growing at the national level (**Table 2**). "Total Employment" gives the percent change in all industrial sectors combined during the study period.[12] Table 1 also presents the percent change in population in each county between 1990 and 2004, according to Census estimates. The final column presents the rate of employment growth as a percentage of population growth.

In Table 1, growth rates among the various industrial supersectors reveal a difference in growth patterns among the three groups. In overall job growth, the highest tier counties grew at a median rate of 26 percent, substantially faster than the nation as a whole (Table 2), and more than doubling the middle tier growth rate of 11 percent. The low tier counties overall experienced virtually no job growth during the period. When adjusted for population growth, jobs in the top tier grew ten percent faster than population, about the same rate seen nationally, while the middle tier grew slightly less than population. Again, the low-tier counties show essentially zero employment growth. This is further clarified by **Table 3**, which indicates a substantially larger unemployment rate among the low-tier counties (10.4 percent) than the top (6.7 percent) and middle (8.5 percent) tiers, as of November 2005. The lower unemployment rate seen in the top-tier counties indicates that the large percentage of jobs held by non-residents is the result of job growth outpacing population growth. In the middle-tier counties, growth in jobs held by non-residents combined with a slightly higher unemployment rate indicates that resident workers were being displaced by workers from outside of the county.

Looking at changes in employment within the individual sectors in Table 1, Education and Health Services (E&HS) grew at a substantial rate in all groups, with the highest being among the middle-tier counties – 151 percent, as compared to 103 percent in the upper and 84 percent in the lower tiers. In all three tiers, E&HS represented the fastest growth among all of the NAICS sectors. E&HS, however, includes private-sector social assistance jobs, which can be expected to be more dominant in areas with larger poor or elderly populations. Because these data do not distinguish between these types of jobs and those, such as healthcare workers, which may indicate positive economic development, the implications of growth in this sector are at best ambiguous.

The state's Manufacturing (Manf) sector suffered great impact during the recession beginning in 2001. Decreases in this sector are seen among counties in all three teirs, with the lower-tier, traditionally most dependent on the textile industry, being particularly hard-hit with a 38 percent decrease in manufacturing jobs. A few counties in the state saw positive growth in the manufacturing sector – most notably Jasper, whose manufacturing sector grew by 49 percent. It should be noted that these data do not distinguish between skilled and unskilled manufacturing jobs, so that it cannot be said with any certainty that this indicates a potential weakness in the economic structure of these counties, but it does warrant further observation.

The Trade, Transportation and Utilities (TT&U) sector saw growth statewide, with most of the growth occurring within the top-tier counties (18 percent), although

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[12] Note that county names that are shaded on Tables 1-6 denote counties lying along the I-95 corridor.

significant growth can be seen in the middle (2 percent) and low-tier (7 percent) counties as well. This sector includes wholesale and retail trade – this may be an early indicator of economic vitality among some of the low-tier counties. Leisure and Hospitality (L&H), largely owing to the state's burgeoning tourism industry, grew among all three tiers, with the heaviest growth not surprisingly seen in the top two tiers (62 and 46 percent, respectively) where the state's largest tourist destinations are located. Job growth in the construction sector, however, may be an indicator of differences in economic development between the tiers; in the top tier, construction grew most rapidly at nearly 26 percent, while the middle-tier counties saw more modest growth of 7 percent. Among the low tier counties, however, construction saw an 8 percent decrease. This indicates a lack of new residential and commercial development; in some counties, such as McCormick, which showed no employment in the construction sector prior to 2000, yet showed an influx of retirees during the study period, new construction was presumably carried out using labor imported from neighboring counties.

Among the remaining sectors, Professional and Business Services (P&BS), which contains a great deal of the jobs associated with the "new economy", grew in all three tiers. The middle-tier counties saw the largest expansion in this sector, adding 75 percent, while the upper and lower tiers trailed at 61 and 42 percent, respectively. This growth indicates an increase in economic diversity within the state, contrasting with the monolithic textile manufacturing-based economy of the past. Growth in this particular sector bodes well for the state's future competitiveness in drawing new economy jobs.

Competitive Mix Analysis. **Table 4** presents an estimate of the level of competitiveness of each county in drawing employment within each of the industry sectors. When the competitive mix statistic is greater than zero, this indicates that the county was competitive with other counties in attracting jobs within that industrial class; when the statistic is less than zero it indicates that the county was not competitive in that class. In other words, when a county exhibits a negative competitive mix statistic for a given industry, it indicates that within that county the industry is either not keeping pace with the national growth rate or it is in decline. The absolute value of the statistic is an indicator of the robustness of the growth or decline within the county. In other words, a larger positive number indicates that the county is very competitive at drawing jobs within that sector; a number that is more negative means that the county is very uncompetitive.

The competitive mix statistic was determined by estimating how much of the growth in an industry sector was unexplained by national and industrial growth. First, the national growth component was calculated by multiplying the percent change in aggregate national employment by the base year's (1990) number employed in each industry class within the county. The industrial mix component was then likewise calculated, multiplying the percent change in employment within the industry sector at the national level by the number employed in each county in 1990. The competitive mix component for industry "i" in county "c" can then be calculated:

$$\frac{\Delta Employment_{ic} - (\Delta National_{ic} + \Delta Industry_{ic})}{Employment_{ic}^{Baseyear}} \times 100,$$

where Change in Employment (ΔEmployment) is the change in number employed since the base year, National is the National growth component, Industry is the industrial growth component and Employment^baseyear is the total number employed in the base year.

The patterns observed in Table 1 are largely repeated in the Competitive Mix analysis. Of note is the total percent change column in Table 4, which shows the top two tiers as very competitive in drawing jobs overall, but the low-tier counties as much less competitive. Low-tier counties only present as competitive (that is, showing a positive competitive mix value) in Education and Health Services and in Public Administration (PA).

Again, in terms of the new economy, the competitive mix for the Professional and Business Services sector is significant. The upper and middle-tier counties present as having become more competitive in this sector since 1990. Lower-tier counties declined overall in their competitiveness relative to the nation, however. This indicates that there is much room for improvement among lower-tier counties in South Carolina.

Location Quotient Analysis. The Location Quotient (LQ) was obtained by dividing the percent of jobs held in an industrial sector at the county level by the percent held in that sector at the national level. An LQ of one indicates that a county was producing at about the level of its consumption of the product of that sector (not taking into account potential cross-hauling), while an LQ of greater than one indicates that the county was a net exporter in that sector and an LQ of less than one indicates the county was a net importer.

By way of example, a county with an LQ greater than one in the Trade sector would be expected to experience an influx of shoppers and diners from surrounding counties. A county with an LQ of less than one in the Trade sector would be expected to have the balance of its residents shopping and dining outside of the county. Some important assumptions apply to this analysis, however. The national LQ with the rest of the world is assumed to be around 1 (i.e. the nation is not itself a net importer or exporter), consumption patterns are assumed to be roughly uniform across the nation for the product of the various sectors, the productivity of labor is assumed to be fairly uniform across the nation, and the commodities produced by each sector is assumed to be homogeneous across the nation.[13] **Table 5** lists the percent of workers and the total number of workers that were employed in the listed sectors within each county in 2004, which was used in calculating LQ. **Table 6** lists the LQ for each sector in 2004.

Table 5 shows, not surprisingly, a much higher percentage of workers employed in manufacturing in the lower tier counties than in the highest tier; however, the middle tier counties also employed a high percentage in manufacturing – higher in fact than the

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[13] H. Craig Davis, _Regional Economic Impact Analysis and Project Evaluation_ (Vancouver: UBC Press, 2001), 16-17.

lowest tier. Again, it should be cautioned that this analysis does not distinguish between high-skill and low-skill manufacturing jobs. However, this does show how the state as a whole remains especially vulnerable to manufacturing job losses due to recession or outsourcing. Even with the increased diversity of jobs seen particularly in the highest tier counties, this vulnerability remains as a drag on the state's economy.

Table 6 shows surprisingly little LQ variation among the three tiers. The only indicators that stand out are the high LQ for manufacturing seen in the middle and lower tiers, and the high LQ for Natural Resources and Mining (NR&M), a sector experiencing significant decline nationally, among the lowest tier counties; however, in absolute terms, NR&M represents a small number of workers, so any impact on the local economy from this sector, whether good or bad, is likely minimal.

In the Professional and Business Services sector, the LQ for all three tiers overall is less than one, with the top-tier counties coming the closest to one. Of all the state's counties, only four – Greenville, Charleston, Richland and Aiken – are net exporters in this sector. One possible explanation of this could be the ability of these counties to draw the "creative class" due to social and cultural amenities offered by the metropolitan areas associated with each.[14]

Nearly all of the counties, however, are net importers in a majority of the sectors represented, which indicates that residents of South Carolina counties carry out a great deal of their commerce either in surrounding counties or with other states. This is illustrated by the map in **Figure 16**. The FY 2003-2004 net taxable sales of each

Figure 16 – Per Capita Net Taxable Sales per PCPI

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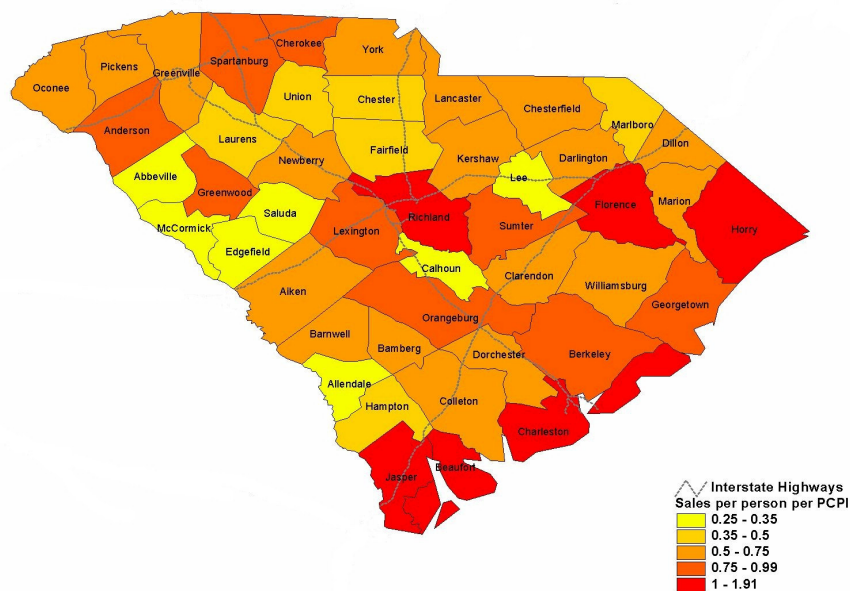
[14] See Richard Florida, "The Rise of the Creative Class", *The Washington Monthly* (May 2002). Internet: http://www.washingtonmonthly.com/features/2001/0205.florida.html

county[15] was divided by the 2004 estimated population, which was in turn divided by the 2004 PCPI of the county to account for income effects on demand. This was then divided by the same statistic calculated for the state as a whole, thus giving the ratio of county per capita sales to state per capita sales. Counties with a statistic greater than or equal to one bring in more revenue from sales than they lose to surrounding counties, *relative to the state*. Counties with a statistic less than one "leak" revenue from sales to surrounding counties at a rate greater than the state. Note that only six of the 46 counties have a statistic of one or greater, including only a few of the state's wealth nodes. Three of the six are coastal counties; one, Jasper, is adjacent to and provides the primary access point to the coastal county Beaufort. These counties serve as centers of commerce for the surrounding counties. Note that the absence of counties with a statistic greater than one in the Upstate indicates that commerce is spread among several counties in the region. While the LQ analysis indicates that most of the counties are net importers in most industries, some counties generate sufficient sales revenue in other sectors to offset the leakage. As a whole, however, South Carolina counties experience more leakage than revenue from goods and services exported to other counties.[16]

Conclusion

Much has been made of the income gap between South Carolina and the remainder of the nation. The state is consistently ranked as one of the "poorer" states and is often associated in popular culture with impoverished rural areas interspersed with small towns built around textile mills that pay low wages. Casual observation of the state within the past few decades belies this image, however. While South Carolina does still retain underdeveloped areas with very high poverty rates, a large portion of the state enjoys a standard of living on par with the national average. When cost of living differences are taken into account, per capita and median household income in the state rise very close to, with many counties far exceeding, the national average. The state also benefits from a strong wealth position relative to the nation – South Carolina ranked sixth in the nation in home ownership rates in 2004 – although wealth holdings can fluctuate in value over time, they tend to be much more stable than income streams over the long run. This factor serves to at least partly offset the remaining gap between state and national income levels, and it speaks well of the sustainability of the state's current standard of living relative to many other states.

Nonetheless, the state requires substantial improvement in three areas in particular in order to keep pace with the remainder of the nation as it moves into the 21st century, and to bring the lagging regions of the state up to level.

As of mid 2006, the state retains an unemployment rate that is nearly two points higher than the national average. This is largely due to the fact that "smokestack" manufacturing continues to play a much more central role in the state's economy than in

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[15] Gross Sales data obtained from the South Carolina Department of Revenue, 2003-2004 Annual Report.
[16] A direct comparison of the per capita sales statistic between the state and the nation would be useful, but such a comparison would be problematic because of the differences in how different states define "taxable sales".

much of the nation. South Carolina has come lately to the shift away from a manufacturing-based economy, so that the job losses in this sector have been catastrophic to some parts of the state. However, the state has significantly reduced its dependence on the types of manufacturing that require low-skilled labor and is showing increased competitiveness in "new economy" sectors, such as service and knowledge based industries and in high-tech manufacturing. This trend should be continued and expanded to the remainder of the state in order for South Carolina to continue to become more competitive within the national and global economy.

The second area in need of improvement is closely tied with the first, and it was also identified in the preceding report as central to the disparity of the distribution of income levels within the state. As such, this is of primary importance, and is the area on which the state should focus most intently. In order to continue to become more competitive in the modern knowledge-based economy, the state must cultivate a highly-skilled workforce. This requires substantial improvements in education. The state is consistently ranked at or near the bottom among the states in the area of primary and secondary education. Statistical analysis indicated a significant correlation between county education and income levels. Until this problem is corrected, large segments of South Carolina's population will continue to lag behind the remainder of the nation in economic prosperity because there will be no skilled workforce in place to draw jobs that generate the kind of income that allows for a higher standard of living.

The final area that must be addressed is making South Carolina's business centers more attractive to the "creative class". The state already carries a substantial advantage in the areas of cost of living and natural amenities, but cultural amenities need to be added to these. As pointed out earlier, a small number of metropolitan areas – Greenville, Charleston, Columbia and Aiken – appear to have made significant progress in this area, but the remainder of the state still lags. A great deal of the problem is perceptive – the amenities that already exist are largely unknown in the remainder of the country or are overshadowed by cultural stereotypes regarding the South. This is not the entirety of the problem, however, as the state suffers not only from a failure to draw "creative class" workers from elsewhere, but also loses its own educated young adults to other states. The state must therefore create an environment that exploits its existing amenities in order to draw these new economy workers from other parts of the country and develop the cultural amenities that retain those who are already present. This, in combination with improvements in the educational system that will produce more skilled workers, will help South Carolina to become a force in a highly competitive global knowledge-based economy and will close any gap that remains between personal incomes within the state and with the nation.

Table 1 - Percent Change per Industrial Sector, 1990-2004

	Adj. PCPI	E&HS	Manf	TT&U	L&H	Const	NR&M	P&BS	PA	OthrServ	Info	Fin	Total Change Emplmnt	Population (1990-2004)	Empl/ Pop
Beaufort	27470.23	102.5	-4.2	57.3	62.6	135.2	137.3	60.9	36.9	113.1	21.8	50	69.3	54.9	1.3
Greenville	23902.36	253.1	-20.6	14.3	45.2	25.5	113.2	35.7	89	27.3	82.2	20.7	29.7	25.3	1.2
Charleston	23157.61	70.8	-22.6	7.4	42.1	20.6	-11.2	108.6	4.1	3.7	21.3	9.4	29.5	11.0	2.7
Lexington	22800.39	81.9	5	45	70.8	67.5	36.8	90.5	82.1	36.1	-21	149.5	53.0	37.7	1.4
Richland	22509.2	51.6	-7.8	-6.2	34	7.6	-33.2	47.9	-9.5	12.3	11.6	16.7	16.9	17.5	1.0
York	22229.92	110.4	-28.9	41.1	64.2	32.5	222.6	143	87.9	13.3	103.4	112.4	42.1	39.7	1.1
Horry	21594.5	182.7	-22.6	44.8	67.1	123.8	9.2	146.8	58.2	49.3	40.2	92.4	67.7	51.1	1.3
Georgetown	21438.62	165.1	-52.1	35.9	67.7	38.4	1.5	212.9	29.9	-21.8	-34.4	130.4	26.4	29.3	0.9
Oconee	20529.34	90.4	-27.4	-17.1	95.8	9.7	6.2	-27.5	42.8	63.5	150	3.3	-8.3	20.0	-0.4
Dorchester	20394.02	272.8	105.2	51.6	62	64.2	5.8	120.7	73.9	28	174.7	81.2	89.6	29.1	3.1
Aiken	20320.42	106.3	-8	5.7	42.9	-44	-17.3	-20.4	71.8	42.6	-24.6	43	-3.1	23.1	-0.1
Spartanburg	20283.61	39	-16.7	8.7	44.1	10.8	20	32.4	17.1	18.8	12.5	29.2	9.7	16.4	0.6
Anderson	19879.84	76.5	-29.4	19.8	70.1	23	39.3	47.7	98.3	-17.1	-34.4	-3.7	13.8	19.5	0.7
Kershaw	19874.43	183.7	-26.7	15.4	12.4	41.3	6.7	24	15.2	2.3	69.1	39.7	7.6	27.0	0.3
Florence	19350.51	75.1	-32.8	18.1	36.3	-10	-27.6	60.9	164.5	5.2	26.3	52.5	22.7	13.4	1.7
Calhoun	18885.04	249	-13.2	7.1	30.5	208.6	0	194.1	12.2	-19.3	--	--	21.2	19.6	1.1
Greenwood	18885.04	77.1	-21.3	-4.6	10.1	-14.3	22.2	42.1	23.8	25.2	-25.5	3.7	6.6	13.5	0.5
Pickens	18872.05	182.6	-47.2	16.2	86.4	46.5	-7.2	134.9	35.3	37.8	-31.9	35.5	15.3	20.1	0.8
Berkeley	18271.27	720.6	18	107.8	36.4	49.5	20.8	-11.2	-75.6	-6.1	65.3	94.9	56.0	15.6	3.6
Cherokee	17775.49	242.3	-29	18.4	40.7	95.9	-60.5	24.5	54.5	8.7	12.1	37.5	11.6	20.6	0.6
Saluda	17674.82	439.6	1.3	8.8	-21	-3.7	83.8	--	507.1	-4.4	--	161.2	37.8	15.0	2.5
Darlington	17626.11	119.7	-26	-8.4	21.3	-4.7	-7.5	92	32.9	9.7	-26.7	11.8	6.3	9.3	0.7
Lancaster	17618.53	190.4	-41.9	-5.7	25.5	-3.7	-23.3	239.1	-14	-4	19.6	24.6	1.5	15.5	0.1
Newberry	17368.48	54.8	-2.5	-1.8	85.8	35.9	-8.6	74.7	-19.4	51.4	-27.4	-22.9	13.2	11.8	1.1
Union	17186.62	7.6	-50.4	1.6	51.1	5.6	10.6	138	41.9	--	--	30.9	-18.6	-5.6	3.3
Barnwell	17179.04	12.5	-2.9	20.9	58.2	-24.9	48.2	-62.2	11.8	9.1	40.3	88.4	2.2	15.0	0.1
Laurens	17061.05	48.4	-46.2	-27.2	63.4	24.3	-69.7	231.9	-64.8	42.6	35.8	-26.7	-17.9	20.7	-0.9
Sumter	16948.47	60.5	3.2	-4.1	54.2	6.7	-20.1	19	273.4	14.2	6.3	6.9	20.9	3.0	7.0
Edgefield	16686.51	356.8	-20.6	68.6	199.4	40.2	16.6	291.3	752.1	149.5	--	--	58.1	37.7	1.5
Abbeville	16637.8	299	-29.3	-7.2	177.4	--	--	48.1	23.5	70.4	20.5	4.5	10.4	10.2	1.0
Orangeburg	16298.98	66.1	-22.7	1.7	24.4	-1.1	22.7	44.5	-93.1	14.9	-10.7	10.8	5.8	8.6	0.7

Table 1 - Percent Change per Industrial Sector, 1990-2004

	Adj. PCPI	E&HS	Manf	TT&U	L&H	Const	NR&M	P&BS	PA	OthrServ	Info	Fin	Total Change Emplmnt	Population (1990-2004)	Empl/ Pop
Fairfield	16140.94	393.9	-68.1	9.4	21	-31.5	-68.2	-67.6	10.8	--	--	-22.1	**-16.0**	**8.3**	**-1.9**
Colleton	16054.34	61.2	-24.3	-2.9	1.5	1.1	-23.3	23	-39.2	10.4	7	-1.2	**-1.7**	**14.9**	**-0.1**
McCormick	15988.31	190.3	-52.8	26.6	-28.6	--	--	-28	-100	177.1	--	--	**-26.1**	**13.9**	**-1.9**
Chester	15922.28	316.4	-38	34	10.8	68	-50.4	-6.5	21.8	-7.1	14.6	-0.4	**-11.3**	**4.3**	**-2.6**
Chesterfield	15407.01	295.8	-34.8	44.3	68.4	41.2	-38.9	42	18.8	-30.2	41.7	16	**0.5**	**12.0**	**0.0**
Jasper	15329.08	33.6	49.1	53.8	-12.8	159.7	118.6	219.8	98.1	145.2	--	--	**58.3**	**37.4**	**1.6**
Clarendon	15152.63	51.6	-3.4	-12.3	31.3	-42.8	-40.7	184.1	146.6	53.7	--	--	**15.7**	**16.3**	**1.0**
Lee	15042.22	231.7	-68	34.5	163.8	-4.8	-25.4	352.1	177.5	--	--	18.8	**24.7**	**11.9**	**2.1**
Marion	15022.73	42.2	-50.1	-14.7	-2	21.5	-25.8	-20.5	-2	--	--	-24.3	**-17.9**	**3.4**	**-5.3**
Marlboro	14489.07	211.5	-20.5	6.5	-12	-66.6	-35.2	--	843.9	9.2	--	0.7	**3.5**	**-3.5**	**-1.0**
Dillon	14366.75	169.3	-9.8	3.3	9.8	-40.9	46.2	48.7	44.4	19.5	-38.7	26	**14.4**	**7.0**	**2.1**
Hampton	14211.95	18	-50.2	-10.1	18.5	-11.4	78	68	340.7	-4.9	--	--	**4.2**	**17.2**	**0.2**
Williamsburg	13849.32	83.7	-49.5	2.9	-42.7	80.6	52.1	716.7	43.3	54	--	5044.4	**-0.5**	**-2.7**	**0.2**
Bamberg	13622	77	-38.3	67.4	198.7	-50.6	46.7	39	-1.8	--	--	55	**22.9**	**-5.7**	**-4.1**
Allendale	12224.51	1.7	-0.2	-34.9	-41.7	-28	-58.9	42.7	-92.7	--	--	-23.2	**-19.3**	**-6.1**	**3.2**
Median of Top Third:		102.5	-22.6	18.1	62.0	25.5	6.7	60.9	58.2	18.8	21.8	43.0	26.4		1.1
Median of Middle Third:		151.2	-22.0	1.7	45.9	6.7	0.0	74.7	23.7	14.2	9.2	18.2	11.0		0.9
Median of Lower Third:		83.7	-38.0	6.5	9.8	-8.1	-25.6	42.4	21.8	15.0	10.8	0.7	0.5		0.0

Table 2 - Percent Change Industrial Mix Compenent, 1990-2004

	E&HS	Manf	TT&U	L&H	Const	NR&M	P&BS	PA	OthrServ	Info	Fin	Total	Population	Empl/ Pop
National	20	-39.2	-7.4	14.3	12.9	-23.2	35.8	-7.3	4.4	-7.3	-3.4	19.1	18.1	1.1

☐ (yellow) = Growth in Industries with Negative National Growth
☐ (green) = Negative Growth in Industries with Positive National Growth

Table 3 - Jobs in County Held by Non-Residents

	Percent of Total (2000)	Percent Change 1990-2000	Unempl mt Rate (2000)	Unempl mt Rate (Nov.05)
Beaufort	20.4	105.6	3.6	5.0
Greenville	26.1	36.9	4.6	5.8
Charleston	31.4	-0.1	5.8	5.4
Lexington	35.9	48.4	3.7	5.0
Richland	33.0	19.4	6.3	6.1
York	26.4	67.6	6.1	6.9
Horry	13.1	49.1	4.6	5.6
Georgetown	38.9	42.4	6.2	8.8
Oconee	21.8	23.7	4.3	9.4
Dorchester	44.1	42.5	4.7	5.4
Aiken	34.5	-12.7	5.9	7.1
Spartanburg	21.9	54.0	5.5	7.5
Anderson	21.1	43.4	4.3	7.4
Kershaw	28.7	0.3	5.3	6.7
Florence	27.0	32.2	7.9	8.8
Calhoun	33.7	19.2	5.9	7.7
Greenwood	25.7	57.2	6.3	9.8
Pickens	35.9	13.5	5.4	6.7
Berkeley	50.4	42.1	4.6	5.4
Cherokee	23.7	38.5	6.2	7.9
Saluda	22.8	26.3	5.0	7.6
Darlington	27.5	30.7	8.0	8.8
Lancaster	27.0	56.3	6.4	9.2
Newberry	24.6	64.2	7.8	6.8
Union	16.6	39.8	7.2	10.8
Barnwell	30.3	16.8	7.7	10.4
Laurens	24.2	36.3	7.1	6.9
Sumter	16.4	26.1	7.0	9.1
Edgefield	45.1	80.8	6.4	9.5
Abbeville	31.2	27.9	5.1	8.2
Orangeburg	19.7	31.0	8.5	10.0

Fairfield	45.8	22.2	6.9	8.1
Colleton	15.2	21.4	6.4	7.3
McCormick	49.9	3.2	5.8	11.8
Chester	32.6	-2.2	6.8	10.4
Chesterfield	27.6	14.5	8.9	9.3
Jasper	36.2	44.4	3.9	5.6
Clarendon	30.1	47.9	6.7	10.1
Lee	36.5	-13.0	10.0	10.5
Marion	20.8	27.4	9.8	15.0
Marlboro	34.6	-8.0	8.2	11.0
Dillon	17.0	38.5	8.7	11.1
Hampton	22.4	10.8	6.1	8.5
Williamsburg	32.1	2.2	9.1	11.9
Bamberg	32.9	37.1	11.6	10.0
Allendale	43.0	12.7	10.1	12.0
Median Top Tier:	**27.0**	**42.4**	**5.3**	**6.7**
Median Mid Tier:	**26.3**	**33.7**	**6.4**	**8.5**
Median Low Tier:	**32.3**	**13.6**	**8.4**	**10.4**

Source: Bureau of Economic Analysis; Census Bureau, Census 2000, SF3 Table P43

Table 4 - Percent Change Competitive Mix Component, 1990-2004

	Adj. PCPI	E&HS	Manf	TT&U	L&H	Const	NR&M	P&BS	PA	OthrServ	Info	Fin	Total
Beaufort	27470.23	63.4	16	45.7	29.2	103.3	141.5	6.1	25.2	89.6	10.1	34.3	**43.2**
Greenville	23902.36	214.1	-0.4	2.7	11.8	-6.4	117.3	-19.2	77.3	3.8	70.5	5.1	**14.5**
Charleston	23157.61	31.7	-2.4	-4.2	8.8	-11.3	-7	53.8	-7.6	-19.8	9.5	-6.2	**7.2**
Lexington	22800.39	42.8	25.2	33.4	37.4	35.6	40.9	35.6	70.4	12.6	-32.8	133.8	**36.3**
Richland	22509.2	12.5	12.4	-17.8	0.6	-24.3	-29	-6.9	-21.2	-11.2	-0.1	1.1	**-5.7**
York	22229.92	71.4	-8.8	29.5	30.8	0.6	226.8	88.2	76.1	-10.2	91.6	96.8	**30.1**
Horry	21594.5	143.6	-2.4	33.2	33.7	91.9	13.3	91.9	46.5	25.9	28.4	76.8	**46.6**
Georgetown	21438.62	126	-31.9	24.2	34.4	6.5	5.7	158	18.1	-45.3	-46.2	114.8	**15.8**
Oconee	20529.34	51.3	-7.2	-28.8	62.4	-22.2	10.3	-82.4	31.1	40	138.2	-12.3	**-11.7**
Dorchester	20394.02	233.8	125.3	39.9	28.6	32.3	9.9	65.8	62.2	4.5	162.9	65.6	**73.0**
Aiken	20320.42	67.2	12.1	-5.9	9.5	-76	-13.2	-75.3	60.1	19.1	-36.4	27.4	**-30.2**
Spartanburg	20283.61	-0.1	3.5	-2.9	10.7	-21.1	24.2	-22.5	5.3	-4.7	0.7	13.6	**-1.0**
Anderson	19879.84	37.4	-9.2	8.1	36.7	-8.9	43.4	-7.1	86.6	-40.6	-46.2	-19.3	**5.1**
Kershaw	19874.43	144.7	-6.5	3.7	-21	9.3	10.9	-30.8	3.5	-21.1	57.3	24.1	**2.6**
Florence	19350.51	36	-12.7	6.5	2.9	-42	-23.4	6	152.7	-18.3	14.5	36.9	**8.6**
Calhoun	18885.04	209.9	7	-4.5	-2.9	176.6	4.1	139.3	0.5	-42.8	--	--	**23.4**
Greenwood	18885.04	38	-1.1	-16.2	-23.2	-46.2	26.4	-12.7	12	1.7	-37.3	-12	**-3.1**
Pickens	18872.05	143.5	-27.1	4.6	53.1	14.5	-3.1	80.1	23.5	14.3	-43.7	19.9	**10.4**
Berkeley	18271.27	681.6	38.1	96.2	3.1	17.5	24.9	-66	-87.4	-29.6	53.5	79.3	**42.6**
Cherokee	17775.49	203.2	-8.9	6.7	7.3	64	-56.4	-30.3	42.7	-14.8	0.3	21.9	**10.7**
Saluda	17674.82	400.5	21.5	-2.9	-54.4	-35.6	87.9	--	495.4	-27.9	--	145.5	**41.1**
Darlington	17626.11	80.6	-5.9	-20	-12.1	-36.6	-3.3	37.1	21.2	-13.8	-38.5	-3.9	**-0.3**
Lancaster	17618.53	151.3	-21.7	-17.3	-7.8	-35.6	-19.2	184.2	-25.8	-27.5	7.8	9	**-1.0**
Newberry	17368.48	15.7	17.7	-13.4	52.4	3.9	-4.5	19.8	-31.2	27.9	-39.2	-38.5	**7.3**
Union	17186.62	-31.5	-30.2	-10	17.7	-26.3	14.8	83.2	30.2	--	--	15.3	**-18.7**
Barnwell	17179.04	-26.5	17.2	9.2	24.8	-56.9	52.4	-117	0	-14.4	28.5	72.8	**-7.8**
Laurens	17061.05	9.4	-26	-38.8	30.1	-7.7	-65.6	177.1	-76.5	19.1	24	-42.3	**-23.6**
Sumter	16948.47	21.4	23.3	-15.8	20.8	-25.2	-15.9	-35.9	261.6	-9.3	-5.5	-8.7	**8.4**
Edgefield	16686.51	317.7	-0.4	56.9	166	8.2	20.7	236.5	740.3	126	--	--	**58.6**
Abbeville	16637.8	259.9	-9.1	-18.9	144	--	--	-6.7	11.7	46.9	8.8	-11.1	**15.4**
Orangeburg	16298.98	27	-2.6	-10	-9	-33	26.9	-10.4	-104.8	-8.6	-22.5	-4.9	**-4.3**

		E&HS	Manf	TT&U	L&H	Const	NR&M	P&BS	PA	OthrServ	Info	Fin	
Fairfield	16140.94	354.8	-47.9	-2.3	-12.3	-63.4	-64.1	-122.5	-0.9	--	--	-37.7	**-22.7**
Colleton	16054.34	22.1	-4.1	-14.5	-31.9	-30.8	-19.2	-31.9	-51	-13.1	-4.8	-16.8	**-13.6**
McCormick	15988.31	151.3	-32.6	14.9	-61.9	--	--	-82.8	-111.7	153.6	--	--	**-32.4**
Chester	15922.28	277.4	-17.8	22.4	-22.6	36	-46.2	-61.3	10.1	-30.6	2.8	-16	**-7.4**
Chesterfield	15407.01	256.7	-14.7	32.6	35	9.3	-34.8	-12.9	7	-53.7	29.9	0.4	**5.8**
Jasper	15329.08	-5.5	69.2	42.1	-46.2	127.7	122.8	165	86.4	121.7	--	--	**35.9**
Clarendon	15152.63	12.6	16.8	-24	-2	-74.7	-36.6	129.2	134.9	30.2	--	--	**1.5**
Lee	15042.22	192.7	-47.8	22.9	130.5	-36.7	-21.2	297.2	165.7	--	--	3.1	**22.9**
Marion	15022.73	3.2	-29.9	-26.3	105.8	-10.4	-21.7	-75.3	-13.8	--	--	-39.9	**-20.5**
Marlboro	14489.07	172.4	-0.4	-5.2	-45.4	-98.5	-31.1	--	832.2	-14.3	--	-14.9	**4.8**
Dillon	14366.75	130.3	10.4	-8.3	-23.6	-72.8	50.3	-6.1	32.7	-4	-50.5	10.4	**11.7**
Hampton	14211.95	-21	-30	-21.7	-14.9	-43.4	82.1	13.2	329	-28.4	--	--	**-5.9**
Williamsburg	13849.32	44.6	-29.3	-8.8	-76.1	48.7	56.2	661.8	31.6	30.5	--	5028.8	**-1.1**
Bamberg	13622	37.9	-18.1	55.8	165.3	-82.5	50.8	-15.9	-13.5	--	--	39.4	**14.0**
Allendale	12224.51	-37.3	20	-46.6	-75.1	-59.9	-54.7	-12.1	-104.5	--	--	-38.8	**-20.7**
Median of Top Third:		**63.4**	**-2.4**	**6.5**	**28.6**	**-6.4**	**10.9**	**6.0**	**46.5**	**-4.7**	**10.1**	**27.4**	**8.6**
Median of Middle Third:		**112.1**	**-1.9**	**-10.0**	**12.5**	**-25.2**	**4.1**	**19.8**	**11.9**	**-9.3**	**-2.6**	**2.6**	**7.9**
Median of Lower Third:		**44.6**	**-17.8**	**-5.2**	**-22.6**	**-40.1**	**-21.5**	**-12.5**	**10.1**	**-8.6**	**-1.0**	**-14.9**	**-1.1**

Table 2 - Percent Change Industrial Mix Compenent, 1990-2004

		E&HS	Manf	TT&U	L&H	Const	NR&M	P&BS	PA	OthrServ	Info	Fin
National		**20**	**-39.2**	**-7.4**	**14.3**	**12.9**	**-23.2**	**35.8**	**-7.3**	**4.4**	**-7.3**	**-3.4**

= Growth in Industries with Negative National Growth

= Negative Growth in Industries with Positive National Growth

Table 5 - Percent Employment per Industrial Sector, 2004

	Adj. PCPI	E&HS	Manf	TT&U	L&H	Const	NR&M	P&BS	PA	OthrServ	Info	Fin	Total Empl
Beaufort	27470.23	10.9	1.9	19.8	23.3	12.2	0.9	11.2	4.8	7.3	1.4	6.5	54,312
Greenville	23902.36	16.3	15.9	22.8	9.4	5.6	0.3	16.1	2.7	2.7	2.9	5.2	221,365
Charleston	23157.61	19.7	4.9	21.8	14.7	6.9	0.2	15.1	6.8	3.0	1.8	5.0	184,193
Lexington	22800.39	20.4	13.9	25.8	10.3	8.5	1.0	8.5	3.1	2.8	0.9	4.8	85,447
Richland	22509.2	24.8	5.4	16.4	9.1	4.4	0.2	13.3	11.4	3.0	2.5	9.5	205,201
York	22229.92	19.2	14.9	24.0	11.4	5.1	0.8	10.4	4.6	2.2	2.4	5.0	65,078
Horry	21594.5	9.2	4.4	22.0	30.4	9.0	0.4	8.3	3.8	2.6	1.5	8.3	98,733
Georgetown	21438.62	10.5	11.0	20.4	22.0	8.7	2.8	8.8	6.5	2.6	0.9	5.8	18,753
Oconee	20529.34	5.4	35.3	25.5	10.0	7.4	0.5	5.0	3.5	3.1	1.6	2.7	20,595
Dorchester	20394.02	18.4	19.6	22.5	11.5	7.9	1.2	8.1	3.6	3.5	0.9	2.9	27,969
Aiken	20320.42	9.7	15.3	16.9	8.6	8.6	0.7	28.2	5.3	2.2	0.8	3.7	53,724
Spartanburg	20283.61	18.3	26.7	20.8	8.8	5.4	0.5	9.4	3.2	2.5	1.0	3.3	114,092
Anderson	19879.84	22.4	23.8	21.0	11.1	5.1	0.5	6.9	3.8	2.2	0.7	2.6	59,240
Kershaw	19874.43	9.8	27.3	23.6	8.8	9.4	3.1	4.9	4.0	2.5	1.6	5.0	15,659
Florence	19350.51	25.4	14.2	20.5	9.5	4.4	0.5	6.3	5.2	2.6	1.6	9.8	62,038
Calhoun	18885.04	18.7	37.9	1.0	2.9	8.7	3.6	2.7	7.6	1.8	0.0	1.4	3,736
Greenwood	18885.04	25.2	27.5	15.8	8.5	4.8	0.4	7.6	4.1	2.3	0.7	2.9	29,996
Pickens	18872.05	19.1	20.2	17.2	17.9	7.8	0.6	6.3	4.5	2.4	0.8	3.1	30,387
Berkeley	18271.27	17.8	19.3	28.5	8.9	11.7	1.6	5.3	1.5	2.0	0.9	2.4	32,812
Cherokee	17775.49	16.4	32.8	20.2	9.7	9.3	0.5	3.8	2.6	1.7	0.5	2.4	18,959
Saluda	17674.82	18.1	39.2	14.0	1.5	4.4	9.8	1.8	4.1	1.6	0.0	5.4	4,144
Darlington	17626.11	20.0	27.8	19.6	7.0	6.0	1.2	9.5	3.7	2.1	0.4	2.8	20,423
Lancaster	17618.53	20.0	26.9	17.6	6.7	5.0	0.5	10.4	4.7	1.7	1.1	5.4	16,698
Newberry	17368.48	19.5	33.6	15.4	7.7	6.0	4.7	4.9	3.5	2.1	0.5	1.9	13,037
Union	17186.62	19.0	34.0	14.9	7.7	2.6	1.6	8.2	6.4	1.8	0.0	3.9	7,986
Barnwell	17179.04	36.0	63.9	26.1	10.3	5.7	3.9	5.8	11.1	2.0	2.2	3.0	7,291
Laurens	17061.05	25.4	24.7	19.5	7.2	4.1	0.5	7.2	5.1	2.5	1.6	2.2	16,405
Sumter	16948.47	20.2	25.9	17.0	8.1	6.6	1.0	7.1	6.6	2.9	1.0	3.4	38,116
Edgefield	16686.51	15.7	22.4	18.5	7.9	3.0	11.9	8.0	6.6	4.1	0.4	1.4	6,184
Abbeville	16637.8	22.6	39.5	9.6	9.1	3.3	0.5	2.3	8.1	1.8	1.3	2.3	6,728
Orangeburg	16298.98	25.7	24.0	21.5	10.5	4.2	2.4	5.0	0.2	2.4	1.0	3.2	30,302

Fairfield	16140.94	26.1	13.9	38.0	5.3	3.8	1.8	4.0	3.9	1.7	0.0	1.5	**5,283**
Colleton	16054.34	13.2	19.4	28.4	14.4	7.5	3.0	5.1	0.4	2.2	1.5	5.1	**8,411**
McCormick	15988.31	34.6	21.6	13.9	1.5	3.8	4.8	6.5	0.0	10.2	1.2	1.8	**1,301**
Chester	15922.28	6.1	42.9	21.8	7.5	6.6	0.7	3.8	4.7	1.6	1.6	2.7	**9,092**
Chesterfield	15407.01	17.0	40.4	20.2	6.7	2.6	2.3	2.5	3.3	1.5	0.6	2.8	**13,352**
Jasper	15329.08	20.6	8.8	20.0	9.7	14.3	2.3	5.8	13.5	2.7	0.0	2.1	**5,532**
Clarendon	15152.63	25.0	16.7	18.6	10.1	3.8	3.8	5.9	10.1	3.3	0.2	2.7	**7,602**
Lee	15042.22	25.2	10.6	24.2	6.9	1.7	4.2	6.1	15.9	2.0	0.0	3.2	**3,569**
Marion	15022.73	26.8	28.5	18.6	7.1	3.0	1.6	2.1	7.3	1.8	0.0	3.1	**9,946**
Marlboro	14489.07	21.9	42.0	16.6	4.5	2.6	1.6	1.1	5.3	1.9	0.8	1.9	**7,332**
Dillon	14366.75	18.6	34.3	23.1	8.1	0.9	3.4	2.0	4.7	1.7	0.4	2.7	**8,831**
Hampton	14211.95	19.9	15.2	17.2	9.1	4.5	7.3	4.7	16.0	3.3	0.5	2.3	**5,345**
Williamsburg	13849.32	17.9	25.5	19.1	4.2	4.6	4.2	7.8	6.7	4.3	0.3	5.3	**8,793**
Bamberg	13622	34.3	17.4	25.4	4.6	1.7	1.8	1.7	6.7	1.6	0.2	4.7	**4,953**
Allendale	12224.51	5.6	51.6	18.8	2.9	3.2	3.8	7.0	0.4	2.6	1.6	2.5	**2,091**
US		21.5	11.2	21.0	10.0	5.4	1.1	12.6	5.4	3.2	2.4	6.2	**1.03E+08**
Median of high tier:		**18.3**	**14.9**	**21.8**	**10.3**	**7.4**	**0.5**	**8.8**	**4.0**	**2.6**	**1.5**	**5.0**	
Median of mid tier:		**19.8**	**27.7**	**17.4**	**8.0**	**5.3**	**1.4**	**6.0**	**4.6**	**2.0**	**0.8**	**2.9**	
Median of low tier:		**20.6**	**21.6**	**20.0**	**6.9**	**3.8**	**3.0**	**4.7**	**5.3**	**2.0**	**0.4**	**2.7**	

Table 6 - Location Quotient per Industrial Sector, 2004

	Adj. PCPI	E&HS	Manf	TT&U	L&H	Const	NR&M	P&BS	PA	OthrServ	Info	Fin	#Ind's Net Exp (of 11)
Beaufort	27470.23	0.5	0.2	0.9	2.3	2.3	0.9	0.9	0.9	2.3	0.6	1.0	4
Greenville	23902.36	0.8	1.4	1.1	0.9	1.0	0.2	1.3	0.5	0.9	1.2	0.8	5
Charleston	23157.61	0.9	0.4	1.0	1.5	1.3	0.2	1.2	1.3	0.9	0.7	0.8	5
Lexington	22800.39	0.9	1.2	1.2	1.0	1.6	0.9	0.7	0.6	0.9	0.4	0.8	4
Richland	22509.2	1.2	0.5	0.8	0.9	0.8	0.2	1.1	2.1	0.9	1.0	1.5	5
York	22229.92	0.9	1.3	1.1	1.1	0.9	0.7	0.8	0.9	0.7	1.0	0.8	4
Horry	21594.5	0.4	0.4	1.0	3.0	1.7	0.3	0.7	0.7	0.8	0.6	1.3	4
Georgetown	21438.62	0.5	1.0	1.0	2.2	1.6	2.6	0.7	1.2	0.8	0.4	0.9	6
Oconee	20529.34	0.3	3.2	1.2	1.0	1.4	0.5	0.4	0.7	1.0	0.7	0.4	5
Dorchester	20394.02	0.9	1.7	1.1	1.1	1.5	1.1	0.6	0.7	1.1	0.4	0.5	6
Aiken	20320.42	0.4	1.4	0.8	0.9	1.6	0.6	2.2	1.0	0.7	0.3	0.6	4
Spartanburg	20283.61	0.9	2.4	1.0	0.9	1.0	0.4	0.7	0.6	0.8	0.4	0.5	3
Anderson	19879.84	1.0	2.1	1.0	1.1	0.9	0.5	0.5	0.7	0.7	0.3	0.4	4
Kershaw	19874.43	0.5	2.4	1.1	0.9	1.7	2.9	0.4	0.7	0.8	0.7	0.8	4
Florence	19350.51	1.2	1.3	1.0	0.9	0.8	0.4	0.5	1.0	0.8	0.7	1.6	5
Calhoun	18885.04	0.9	3.4	0.0	0.3	1.6	3.2	0.2	1.4	0.6	0.0	0.2	4
Greenwood	18885.04	1.2	2.5	0.8	0.9	0.9	0.3	0.6	0.8	0.7	0.3	0.5	2
Pickens	18872.05	0.9	1.8	0.8	1.8	1.5	0.6	0.5	0.8	0.7	0.3	0.5	3
Berkeley	18271.27	0.8	1.7	1.4	0.9	2.2	1.4	0.4	0.3	0.6	0.4	0.4	4
Cherokee	17775.49	0.8	2.9	1.0	1.0	1.7	0.5	0.3	0.5	0.5	0.2	0.4	4
Saluda	17674.82	0.8	3.5	0.7	0.2	0.8	9.0	0.1	0.8	0.5	0.0	0.9	2
Darlington	17626.11	0.9	2.5	0.9	0.7	1.1	1.1	0.8	0.7	0.6	0.2	0.5	3
Lancaster	17618.53	0.9	2.4	0.8	0.7	0.9	0.4	0.8	0.9	0.5	0.5	0.9	1
Newberry	17368.48	0.9	3.0	0.7	0.8	1.1	4.3	0.4	0.7	0.7	0.2	0.3	3
Union	17186.62	0.9	3.0	0.7	0.8	0.5	1.4	0.7	1.2	0.6	0.0	0.6	3
Barnwell	17179.04	1.7	5.7	1.2	1.0	1.1	3.6	0.5	2.0	0.6	0.9	0.5	7
Laurens	17061.05	1.2	2.2	0.9	0.7	0.8	0.5	0.6	0.9	0.8	0.7	0.4	2
Sumter	16948.47	0.9	2.3	0.8	0.8	1.2	0.9	0.6	1.2	0.9	0.4	0.6	3
Edgefield	16686.51	0.7	2.0	0.9	0.8	0.6	10.8	0.6	1.2	1.3	0.2	0.2	4
Abbeville	16637.8	1.1	3.5	0.5	0.9	0.6	0.4	0.2	1.5	0.6	0.5	0.4	3
Orangeburg	16298.98	1.2	2.1	1.0	1.0	0.8	2.2	0.4	0.0	0.7	0.4	0.5	5

County	Value	E&HS	Manf	TT&U	L&H	Const	NR&M	P&BS	PA	OthrServ	Info	Fin	
Fairfield	16140.94	1.2	1.2	1.8	0.5	0.7	1.7	0.3	0.7	0.5	0.0	0.2	4
Colleton	16054.34	0.6	1.7	1.4	1.4	1.4	2.7	0.4	0.1	0.7	0.6	0.8	6
McCormick	15988.31	1.6	1.9	0.7	0.2	0.7	4.3	0.5	0.0	3.2	0.5	0.3	4
Chester	15922.28	0.3	3.8	1.0	0.7	1.2	0.7	0.3	0.9	0.5	0.6	0.4	3
Chesterfield	15407.01	0.8	3.6	1.0	0.7	0.5	2.1	0.2	0.6	0.5	0.3	0.4	3
Jasper	15329.08	1.0	0.8	1.0	1.0	2.7	2.1	0.5	2.5	0.9	0.0	0.3	6
Clarendon	15152.63	1.2	1.5	0.9	1.0	0.7	3.4	0.5	1.9	1.0	0.1	0.4	6
Lee	15042.22	1.2	1.0	1.2	0.7	0.3	3.8	0.5	2.9	0.6	0.0	0.5	5
Marion	15022.73	0.1	0.3	0.1	0.1	0.1	0.2	0.0	0.2	0.1	0.0	0.1	0
Marlboro	14489.07	1.0	3.7	0.8	0.5	0.5	1.4	0.1	1.0	0.6	0.3	0.3	4
Dillon	14366.75	0.9	3.1	1.1	0.8	0.2	3.1	0.2	0.9	0.5	0.2	0.4	3
Hampton	14211.95	0.9	1.4	0.8	0.9	0.8	6.6	0.4	3.0	1.0	0.2	0.4	4
Williamsburg	13849.32	0.8	2.3	0.9	0.4	0.8	3.8	0.6	1.2	1.4	0.1	0.8	4
Bamberg	13622	1.6	1.6	1.2	0.5	0.3	1.6	0.1	1.2	0.5	0.1	0.8	5
Allendale	12224.51	0.3	4.6	0.9	0.3	0.6	3.4	0.6	0.1	0.8	0.7	0.4	2
Median of Top Third:		0.9	1.3	1.0	1.0	1.4	0.5	0.7	0.7	0.8	0.6	0.8	4.0
Median of Middle Third:		0.9	2.5	0.8	0.8	1.0	1.2	0.5	0.8	0.6	0.3	0.5	3.0
Median of Lower Third:		0.9	1.7	1.0	0.7	0.7	2.7	0.4	0.9	0.6	0.2	0.4	4.0

= County is a Net Importer in this industry

Key to Abbreviations: NAICS:

E&HS	Education and Health Services	61-62
Manf	Manufacturing	31-33
TT&U	Trade, Transportation and Utilities	42-45, 48-49 & 22
L&H	Leisure and Hospitality	71-72
Const	Construction	23
NR&M	Natural Resources and Mining	11 & 21
P&BS	Professional and Business Services	54-56
PA	Public Administration	(Government)
OthrServ	Other Services	81
Info	Information	51
Fin	Financial Activities	52 & 53

NAICS 23: Construction
The construction sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector. Construction work done may include new work, additions, alterations, or maintenance and repairs. Activities of these establishments generally are managed at a fixed place of business, but they usually perform construction activities at multiple project sites.

NAICS 61 & 62: Education and health services
The education and health services supersector is made up of two parts: the educational services sector (sector 61), and the health care and social assistance sector (sector 62). Only privately-owned establishments are included in this discussion; publicly-owned establishments that provide education or health services are included in government.
The **educational services** sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers.
The **health care and social assistance** sector comprises establishments providing health care and social assistance for individuals. The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance.

NAICS 52 & 53: Financial activities
The financial activities supersector is made up of two parts: the finance and insurance sector (sector 52), and the real estate and rental and leasing sector (sector 53).
The **finance and insurance** sector comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions. Three principal types of activities are identified:
1. Raising funds by taking deposits and/or issuing securities and, in the process, incurring liabilities.
2. Pooling of risk by underwriting insurance and annuities.
3. Providing specialized services facilitating or supporting financial intermediation, insurance, and employee benefit programs.

The **real estate and rental and leasing** sector comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. This sector also includes establishments primarily engaged in managing real estate for others, selling, renting and/or buying real estate for others, and appraising real estate. The main components of this sector are

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[17] Obtained from BLS, "Industry at a Glance"; Internet; http://www.bls.gov/iag/iaghome.htm

the real estate lessors industries; equipment lessors industries (including motor vehicles, computers, and consumer goods); and lessors of nonfinancial intangible assets (except copyrighted works).

Government
The government sector is made up of publicly-owned establishments. This sector includes establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. These agencies also set policy, create laws, adjudicate civil and criminal legal cases, provide for public safety and for national defense. Establishments such as public schools and public hospitals also are included in government. The information presented here refers to civilian employment only.

NAICS 51: Information
The information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data. The main components of this sector are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries; the industries known as Internet service providers and web search portals, data processing industries, and the information services industries.

NAICS 71 & 72: Leisure and hospitality
The leisure and hospitality supersector is made up of two parts: the arts, entertainment, and recreation sector (sector 71), and the accommodation and food services sector (sector 72).
The **arts, entertainment, and recreation** sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.
The **accommodation and food services** sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

NAICS 31-33: Manufacturing
The manufacturing sector consists of establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products.
Counts from the Quarterly Census of Employment and Wages program show that the manufacturing sector employs many workers, but in a relatively small number of establishments.

NAICS 11 & 21: Natural resources and mining
The natural resources and mining supersector is made up of two parts: the agriculture, forestry, fishing and hunting sector (sector 11), and the mining sector (sector 21).
The **agriculture, forestry, fishing and hunting** sector comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats.

The **mining** sector comprises establishments that extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. The term mining is used in the broad sense to include quarrying, well operations, beneficiating (e.g., crushing, screening, washing, and flotation), and other preparation customarily performed at the mine site, or as a part of mining activity.

NAICS 81: Other services

The other services sector comprises establishments engaged in providing services not specifically provided for elsewhere in the North American Industry Classification System. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing drycleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

Counts from the Quarterly Census of Employment and Wages program show that, as a portion of the national economy, other services represents about 3.3 percent of all employment and 12.9 percent of all establishments.

NAICS 54 - 56: Professional and business services

The professional and business services supersector is made up of three parts: the professional, scientific, and technical services sector (sector 54), the management of companies and enterprises sector (sector 55), and the administrative and support and waste management and remediation services sector (sector 56).

The **professional, scientific, and technical services** sector comprises establishments that specialize in performing professional, scientific, and technical activities for others. Activities performed include: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.

The **management of companies and enterprises** sector comprises (1) establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or (2) establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decisionmaking role of the company or enterprise.

The **administrative and support and waste management and remediation services** sector comprises establishments performing routine support activities for the day-to-day operations of other organizations. These essential activities are often undertaken in-house by establishments in many sectors of the economy. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

NAICS 48-49 & 22: Transportation and warehousing, and utilities

The transportation and warehousing, and utilities, supersector is made up of two parts: the transportation and warehousing sector (sectors 48 - 49), and the utilities sector (sector 22).

The **transportation and warehousing** sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Establishments in these industries use transportation equipment or transportation related facilities as a productive asset. The type of equipment depends on the mode of transportation. The modes of transportation are air, rail, water, road, and pipeline.

The **utilities** sector comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal. Within this sector, the specific activities associated with the utility services provided vary by utility: electric power includes generation, transmission, and distribution; natural gas includes distribution; steam supply includes provision and/or distribution; water supply includes treatment and distribution; and sewage removal includes collection, treatment, and disposal of waste through sewer systems and sewage treatment facilities.

NAICS 42 - 45: Wholesale and retail trade
The wholesale and retail trade supersector is made up of two parts: the wholesale trade sector (sector 42), and the retail trade sector (sector 44 - 45).
The **wholesale trade** sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The wholesaling process is an intermediate step in the distribution of merchandise. Wholesalers are organized to sell or arrange the purchase or sale of (a) goods for resale (i.e., goods sold to other wholesalers or retailers), (b) capital or durable nonconsumer goods, and (c) raw and intermediate materials and supplies used in production. Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office.
The **retail trade** sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and nonstore retailers.